



COUNCIL

12 December 2024

To: The Mayor and Members of
WOKING BOROUGH COUNCIL

SUMMONS TO A MEETING

You are hereby summoned to attend an ORDINARY MEETING of the COUNCIL to be held in the Council Chamber, Civic Offices, Gloucester Square, Woking on THURSDAY, THE TWELFTH DAY OF DECEMBER 2024 at 7.00 pm to transact the business specified in the agenda overleaf.

RICHARD CARR
Chief Executive

Civic Offices,
Woking

NOTE: Filming Council Meetings

Please note the meeting will be filmed and broadcast live and subsequently as an archive on the Council's website (www.woking.gov.uk). The images and sound recording may also be used for training purposes within the Council. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed.



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AGENDA

1. APOLOGIES FOR ABSENCE.

2. DECLARATIONS OF INTEREST. (Pages 5 - 6)

- (i) To receive declarations of disclosable pecuniary and other interests from Members in respect of any item to be considered at the meeting.
- (ii) In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Foster may advise on those items.
- (iii) In accordance with the Officer Employment Procedure Rules, the Head of Transformation, Digital and Customer Services, Adam Walther, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Walther may advise on those items.

3. MINUTES. (Pages 7 - 14)

To approve the minutes of the meeting of the Council held on 20 November 2024, as published.

4. MAYOR'S COMMUNICATIONS.

5. URGENT BUSINESS.

To consider any business which the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

6. QUESTIONS FROM MEMBERS OF PUBLIC WBC24-044. (Pages 15 - 18)

To receive questions from Members of the Public of which due notice has been given.

7. QUESTIONS FROM MEMBERS OF THE COUNCIL.

No questions have been received from Members of the Council.

8. PETITION - SHEERWATER HEALTH CENTRE WBC24-052. Report to follow.

9. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL, COMMITTEE CHAIRMEN AND THE CHIEF EXECUTIVE.

In accordance with Standing Orders, the Council to receive any announcements from the Leader of the Council (or their nominated spokesperson), Committee Chairmen and/or the Chief Executive.

10. FINAL ACCOUNTS REPORT 2019-20, 2020-21 AND 2021-22 WBC24-053. Report to follow.

11. DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES WBC24-047. (Pages 19 - 22)

12. NOTICES OF MOTION.

No notices of motion have been received from Members of the Council.

13. RECOMMENDATIONS OF THE EXECUTIVE WBC24-051. (Pages 23 - 26)

To receive and consider recommendations from the Executive.

13A Working For All Strategy EXE24-092 (Pages 27 - 52)

13B Calendar of Meetings 2025-26 EXE24-061 (Pages 53 - 60)

13C 30 Year Housing Revenue Account (HRA) Business Plan EXE24-032 (Pages 61 - 88)

13D Investment Debt Repayment and Standstill 2024-25 and 2025-26 EXE24-087 (Pages 89 - 98)

14. EXCLUSION OF PRESS AND PUBLIC.

The Mayor will move, and the Deputy Mayor will second:-

"That the press and public be excluded from the meeting during consideration of item 15 in view of the nature of the proceedings that, if members of the press and public were present during this item, there would be disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, to the Local Government Act 1972."

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

PART II – PRESS AND PUBLIC EXCLUDED

15. INVESTMENT DEBT REPAYMENT AND STANDSTILL 2024-25 AND 2025-26 EXE24-088
(Pages 99 - 138)

AGENDA ENDS

Date Published - 4 December 2024

Note: At the close of the meeting the Worshipful the Mayor, Councillor Morales, would like to invite the following to join her in the parlour:-

The Deputy Mayor, Councillor Boote, and Councillors Akberali, Barker, Bosundy-O'Bryan, Cosnahan, Graves, Howes, Johnson, Jordan, Lyons, Morales, Mukherjee, Mumtaz, Oades, Pearce, Raja and Spenser, Independent Co-Opted Member Claire Storey and Independent Person Tim Stokes, together with Officers attending the meeting.

Schedule Referred to in Declaration of Interests

Council-appointed directorships

Kevin Foster, Strategic Director – Corporate Resources	
Brookwood Cemetery Limited	Kingfield Community Sports Centre Limited
Brookwood Park Limited	LAC 2021 Limited (Dormant)
Export House Limited	Woking Necropolis and Mausoleum Limited
Woking Shopping Limited	

Adam Walther, Head of Transformation, Digital and Customer Services	
Brookwood Cemetery Limited	Brookwood Park Limited
Woking Necropolis and Mausoleum Limited	

Council 20 November 2024

MINUTES
OF A MEETING OF THE
BOROUGH COUNCIL OF WOKING

held on 20 November 2024

Present:

Cllr L Morales (Chair)
Cllr A Boote (Vice-Chair)

Cllr H Akberali	Cllr L Lyons
Cllr A Aslam	Cllr C Martin
Cllr A-M Barker	Cllr J Morley
Cllr T Bonsundy-O'Bryan	Cllr S Mukherjee
Cllr G Cosnahan	Cllr F Mumtaz
Cllr P Graves	Cllr E Nicholson
Cllr S Greentree	Cllr S Oades
Cllr S Howes	Cllr J Pearce
Cllr A Javaid	Cllr L Rice
Cllr I Johnson	Cllr D Roberts
Cllr D Jordan	Cllr T Spenser
Cllr M Kuipers	Cllr M Sullivan
Cllr R Leach	

Also Present: Claire Storey, Independent Co-Opted Member.

Absent: Councillors W Forster, P Pandher and M I Raja.

1. APOLOGIES FOR ABSENCE.

Apologies for absence had been received from Councillor Forster and Councillor Raja.

2. DECLARATIONS OF INTEREST.

In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he was a Council-appointed director. The companies were listed in an attached schedule. The interests were such that Mr Foster could advise on those items.

3. MINUTES.

RESOLVED

That the minutes of the meeting of the Council held on 26 September 2024 be approved and signed as a true and correct record.

4. MAYOR'S COMMUNICATIONS.

The Mayor reported on the events and activities she had participated in since the previous meeting of Council. These had included the remembrance services in the Borough, the Diwali celebrations and a variety of festivals and meetings.

5. URGENT BUSINESS.

No items of Urgent Business were considered.

6. QUESTIONS FROM MEMBERS OF PUBLIC WBC24-049.

Four questions had been received from members of public. The questions, together with the replies from the Leader of the Council, were presented as follows:

Question 1 – Andy Caulfield

“In light of the long awaited and much anticipated Grant Thornton report into (some of) WBCs historical failings leading to an unprecedented debt, will the Council, Commissioners and new Government now further fully investigate behaviours of key individuals and transactions over the relevant years for (inter alia) legality, lawfulness, ultra vires, appropriate authority, proceeds of sales, financial impropriety and potentially Misfeasance in public office.”

Supporting information

“This report confirms residents long held worst fears, as flagged in our 2021 petition heard by the full Council in July 2021 - <https://www.getsurrey.co.uk/news/surrey-news/hundreds-demand-inquiry-former-woking>

On the back of Dr Gifty Edila and the O&S task group findings of serious failures on the Woking FC / GoDev. Project.”

Reply from Councillor Ann-Marie Barker

“Commissioners will consider the position of those named in the report and whether further action is necessary. This is reflected in the report to Council.”

Question 2 – Anthony Fraser

“A number of the senior officers singled out in the report were members of professional bodies.

Can the Council assure residents that, at the very least, it will refer these individuals to their respective professional bodies to investigate whether their actions (or inactions) breached any of the relevant professional standards?”

Reply from Councillor Ann-Marie Barker

“Commissioners will consider the position of those named in the report and whether further action is necessary. This is reflected in the report to Council. This will include whether any referrals should be made to relevant professional bodies.”

Question 3 – Anthony Fraser

“The Grant Thornton report highlights the actions of a small number of individuals, all of whom have now left the Council. Beyond that, it makes more general governance and procedural observations, many of which have already been brought out in the Government’s External Assurance Review in May 2023. Structures and procedures are all well and good, but it also requires officers and members to take personal ownership, ask questions and challenge where appropriate to make sure that governance works effectively in practice.

I would be interested therefore to hear what personal lessons members and officers have taken away from these events, particularly those who were with the Council during this period.”

Reply from Councillor Ann-Marie Barker

“The Grant Thornton report contains lessons for all of us at Woking Borough Council. Through the delivery of the Improvement and Recovery Plan, we are already putting in place changes to our governance structures and processes to enable the Council to take effective decisions in the future and avoid making the mistakes of the past. However, as Mr Fraser rightly points out, we cannot rely on structural changes alone. Robust governance is also reliant on the effective challenge and continued political curiosity of Members. The Grant Thornton report recommends improvements in the training and development of both Members and officers, to ensure that they have the knowledge and skills to discharge their roles responsibly.”

Question 4 – Anthony Fraser

“I submitted official objections to the Council’s draft statutory accounts for both 2019-20 and 2020-21. The later letter (in Sept 2021) highlighted amongst other things:

- The extreme size and disproportionality of our borrowing and its very heavy dependence on returns from commercial investments.
- The low level of MRP relative to borrowing and the absence of MRP for capital loans.
- The self-funding of loan repayments/interest due from subsidiaries via further borrowing by the Council and that this could be unlawful.
- The credit risk and interest rate risk the Council was running in the lending arrangements.
- The deviation from the statutory MRP guidance which was not prudent and the then S151 officer failing to ‘have regard to’ recent guidance on MRP.
- The potential impact on the General Fund and the Council’s ability to set a balanced budget in the future.
- The failure to publish consolidated group accounts and that the statutory accounts for several of Woking’s subsidiaries were significantly overdue.
- The inherent conflict in having councillor-directors for the subsidiaries.
- The rapidly deteriorating financial projections for the Victoria Square development.

- The plan by the Council to effectively borrow twice from the PWLB against the Red Car Park, potentially as a hidden way to inject working capital into Victoria Square Woking Ltd.

As well as the S151 officer and external auditor, this letter was sent to the heads of the political parties and the then CEO of the Council.

What action was taken on the back of my letter?”

Reply from Councillor Ann-Marie Barker

“The points that Mr Fraser has raised reinforces why the Council commissioned Grant Thornton to carry out the review which has culminated in the Public Interest Report.”

7. QUESTIONS FROM MEMBERS OF THE COUNCIL.

No questions had been received from Members of the Council.

8. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL, COMMITTEE CHAIRMEN AND THE CHIEF EXECUTIVE.

No announcements were made.

9. PUBLIC INTEREST REPORT FROM GRANT THORNTON WBC24-048.

The Leader of the Council introduced the Public Interest Report which had been published by Grant Thornton earlier in November. The report followed a year-long investigation into Woking Borough Council’s historic approach to investments and borrowing, and outlined a series of recommendations drawn up in light of the findings.

It was noted that Grant Thornton had been appointed to (i) provide a comprehensive overview of the events and decisions that had culminated in the unprecedented financial challenge facing the Council; and (ii) help the Authority ensure it addressed the fundamental weaknesses in its historic approach, so that action could be taken to rectify these to eliminate the risk of any repetition in the future. The period reviewed covered twenty years.

Under the provisions of the Local Audit and Accountability Act 2014, the Authority had a legal duty to hold an Extraordinary Meeting of Council to consider the Public Interest Report and determine its response. The Council and the Government appointed Commissioners would review the Authority’s Improvement and Recovery Plan to assess the degree to which it might need expanding to take into account the Report’s findings. Furthermore, the Commissioners would consider a number of specific issues and act upon them if necessary, including the position of those named in the report.

The Leader advised that the report before Council proposed that the recommendations drawn up by Grant Thornton should be accepted in full and that the Improvement and Recovery Plan should be reviewed in light of the report’s findings.

The Mayor stated that, in view of the importance of the Extraordinary Meeting, she intended to move the suspension of the provision within Standing Orders that limited the

number of times each individual Councillor could speak. Members were encouraged to be succinct in their questions and avoid repeating points made earlier in the discussion.

Accordingly the Mayor moved and the Deputy Mayor seconded the suspension of Standing Order 18.8 which limited the Councillors to speaking once on the matter before them.

The motion was agreed unanimously and it was

RESOLVED

That Standing Order 18.8 be suspended to allow Elected Members to speak more than once in respect of the Public Interest Report.

Before moving to the debate, the Mayor welcomed to the meeting Joanne Brown, Guy Clifton and Paul Dossett from Grant Thornton and invited them to introduce the Public Interest Report.

The Council was advised that the review had identified fundamental weaknesses and failure to evidence best value. The Council had not put in place a clear corporate plan and had followed a non-strategic approach.

The Council had pursued a long history of borrowing to fund capital projects alongside investments in loans to Council companies and a number of third parties. Borrowing and investment activities had expanded over the years on the premise that the Council would be able to afford to pay back the loans over a longer period of time, typically up to and over 50 years. The level of borrowing increased from £400m in 2017 to a cumulative borrowing position of £1.8b in 2022.

The scale and complexity of the investments had given rise to conflicts of interest which had not been recognised and managed, and the Council's Leadership Team and Members had not had the required skills to manage such large scale investments.

The importance of implementing the improvement and recovery programme and focusing on securing long-term financial sustainability of the Council was highlighted. Towards this end, the recommendations in the Public Interest Report included ensuring effective governance systems were put in place across the Council, with all future decisions to be subject to scrutiny and challenge.

Following the statement by the representative from Grant Thornton, the Mayor invited Elected Members to debate the paper and raise any questions they had with the representatives.

The Councillors raised a wide range of points and questions arising from the report. Amongst the concerns were the lack of oversight by the Public Works Loan Board and the absence of warnings by the Council's Auditors. A number of Councillors felt criminal proceedings should be undertaken and noted that Grant Thornton had not indicated whether any actions had been unlawful. The Council was advised that only a Court of Law could determine whether something was deemed unlawful. Areas highlighted in the report, which may or may not have involved unlawful activities, included the prudential code on borrowing, the possibility that some capital funds had been used for revenue costs and the point that loans had been given to arms-length companies in order to earn an income.

In response to a question, Grant Thornton confirmed that no-one who had been invited to interview by Grant Thornton had sought to avoid such contact or threaten the Audit

Company with legal action. All the information provided had been reviewed by Grant Thornton and over 50 stakeholders had been interviewed; the final report included examples taken from the interviews held. Overall the study was not a forensic audit and had primarily sought to review the Council's governance arrangements. Grant Thornton had had to determine the appropriate scope of the review given the complexity and period of time covered. The Council could, if considered appropriate, choose to commission further investigations, although the benefits of doing so needed to be weighed against the costs involved.

There had been a failure in leadership and Officers had been asked to manage projects for which they did not have the appropriate knowledge or experience. The essential understanding of corporate governance had been absent, as had a comprehensive strategy for the Borough. Work in recent years had sought to address the shortcomings in governance, and the Council now had a comprehensive Working Strategy. All property transactions were measured against industry standards and all costs were carefully planned.

The impact of the Public Interest Report on the ongoing Improvement and Recovery Plan of the Council was raised and the Chief Executive drew attention to the recommendation within the report which proposed that the Plan should be reviewed and updated in light of the Public Interest Report. The review would include the relationship with audit.

Grant Thornton noted that, whilst there was a degree of oversight by the Government, there was an ongoing debate around how such governance could be strengthened.

Councillor Rice considered that the Authority owed an apology to residents in view of the findings of the review. Councillor Rice therefore moved and Councillor Boote seconded the addition of a fifth recommendation to this effect, namely:

“(v) the Council places on record its apology to local residents for its failings in the past.”

The Councillors welcomed the proposal and the amendment was agreed nem con, to form part of the substantive recommendations before the Council.

The discussion continued and, in response to a question raised, the Chief Executive advised that responsibility for actions in the past lay with the Council, and it was difficult to see how compensation could be sought from third parties such as advisors. The Council had to focus on the future and the delivery of the Improvement and Recovery Plan. The Government appointed Commissioners would explore whether there were any further actions which would be appropriate to pursue.

Councillor Johnson, Portfolio Holder for Housing, provided the Council with an overview of the impact of the Council's activities on the delivery of housing for residents, including the impact on the Housing Revenue Account (HRA), the loss of rent and the loss of the investment partner status with Homes England, which had meant the Council was no longer able to bid for funding to the Government. Improvements were being brought forward, though it was acknowledged that the speed of change was not as fast as would be hoped for by residents, Elected Members and Officers.

Several inaccuracies within the Public Interest Report had been identified and Grant Thornton advised that there was still an opportunity for corrections to be made.

The lead Member for training and development, Councillor Leach, highlighted the elements of the report which dealt with training and proposed that the Council should ask whether

the Local Government Association could support its ambitions, providing a programme of development for Councillors, ideally on an individual basis – the Council could not expect to successfully implement a ‘one size fits all’ approach.

At the conclusion of the debate, the Leader of the Council responded to the many points raised, thanking the Councillors for their contributions to the discussion. It was essential that the Council moved forward and accepted all of the recommendations drawn up by Grant Thornton. The Mayor therefore referred the Council to the recommendations before them, including the additional recommendation proposed by Councillor Rice.

RESOLVED

- That (i) the recommendations set out in the Grant Thornton Public Interest Report be accepted in full;
- (ii) the Council’s Improvement and Recovery Plan be reviewed and updated as necessary to take account of the Public Interest Report’s findings and recommendations;
- (iii) the Council notes that Commissioners will consider taking forward further enquiries arising from the report;
- (iv) the Council notes that the Chief Executive has contacted Surrey Police already to make clear that, should any evidence emerge of criminality or misfeasance in public office, this will be referred to them for investigation; and
- (v) the Council places on record its apology to local residents for its failings in the past.

10. NOTICES OF MOTION.

No notices of motion had been received from Elected Members.

The meeting commenced at 7.00 pm
and ended at 9.19 pm

Chairman: _____

Date: _____

QUESTIONS FROM MEMBERS OF PUBLIC

Meeting: Council

Date Of Meeting: 12 December 2024

Report Author(s): Frank Jeffrey, Head of Democratic Services | frank.jeffrey@woking.gov.uk

Lead Officer: Frank Jeffrey, Head of Democratic Services | frank.jeffrey@woking.gov.uk

Portfolio Holder: Cllr Ann-Marie Barker | Cllrann-marie.barker@woking.gov.uk

Date Published: 4 December 2024

Will the decision be open for call in (i.e. is it a key decision)? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 The following questions have been received from Members of Public. The individuals who raised the questions have been invited to attend the meeting. The relevant Portfolio Holder will be asked to provide a formal response.

Question 1 – Bhushan Sharma

“What are your plans going forward regarding the plot of land by the Morrisons roundabout on Goldsworth Rd (where a pub use to be, since knocked down)?”

Question 2 – Bhushan Sharma

“What is the latest plan going forward concerning the development of the triangle section of Guildford Rd (next to railway bridge) which has been mostly bulldozed and fenced off?”

Question 3 – Wade Pollard

“On what date will the Council make available to its residents the response it made to the recent NPPF (National Planning Policy Framework) Consultation?”

Question 4 – Bhushan Sharma

“What is the plan going forward regarding the future of the derelict shopping zone previously occupied by Debenhams in Town centre?”

Question 5 – Andy Caulfield

“Could the Council please provide an update on matters with Woking Gymnastics Club, specifically the new lease being negotiated to allow it to submit planning permission for it's much needed expansion on the current site?”

Supporting Statement

“This matter has been ongoing for some years, which I dealt with during my time as local Cllr. I had understood earlier this year progress was being made, but understand nothing has progressed and given asset sales etc (affecting current temporary facilities), the new facilities are much needed and all legalities and formal processes need to progress urgently now.”

Question 6 – Andy Caulfield

“Thanks for reply to my question last month “Commissioners will consider the position of those named in the report and whether further action is necessary. This is reflected in the report to Council.””

“Given GT's confirmation that their report was NOT a forensic accounting/ audit exercise, therefore many matters may well require further investigation to satisfy residents, will the Council/Commissioners confirm a wider scope in their further enquiries. This should obviously include (i) key individuals at all material times in WBC, especially in leadership and statutory roles; (ii) but also failures by appointed auditors; (iii) beneficiaries of over-payments by WBC (without proper valuations); (iv) loans to private schools & (v) the whole array of issues that has led to WBC massive debt.”

Supporting Statement

“The types of issues to be investigated were set out in a non-exhaustive list in last month's question (given the limitations on words permitted) relating to WBC officers and political leadership.”

“In addition, BDO must answer for numerous years incomplete accounts (still); and the former auditors* of WBC subsidiary companies for their failures, including audits having to be restated by new auditors. [*Hamlyns LLP (company number OC339112) renamed Cooper Shrubbs Associates LLP (November 2021) - Council will recall my unresolved frustrations at both BDO and Hamlyns LLP failures through my role on WBC Audit committee repeatedly raising these issues for 2 years (2022-2024)]”

“Finally, there are many examples of people benefiting financially from over-priced acquisitions by WBC in numerous cases, which clearly need further investigation as to the circumstances (in some cases, further exacerbated with questions of either direct or family connections to WBC, at the time or historically).”

“All transactions clearly require fuller investigation to confirm or allay concerns as to why gross over-payments were made (including any potential collusion or under-hand dealings) at huge public expense leading to the current stark situation for WBC and particularly its residents.”

Question 7 – Wade Pollard

“I understand there is a delay to the signing of leases for the new library in Botanical Place in West Byfleet. Will Woking Council consider allowing Surrey County Council to sign a direct lease with the landlord and remove its involvement in the process?”

REPORT ENDS

APPOINTMENT OF DIRECTOR OF LEGAL SERVICES, STATUTORY MONITORING OFFICER AND DATA PROTECTION OFFICER

Meeting: Council

Date Of Meeting: 12 December 2024

Report Author(s): Kevin Foster, Strategic Director Corporate Resources | kevin.foster@woking.gov.uk

Lead Officer: Kevin Foster, Strategic Director Corporate Resources | kevin.foster@woking.gov.uk

Portfolio Holder: Cllr Ann-Marie Barker | Cllrann-marie.barker@woking.gov.uk

Date Published: 4 December 2024

Will the decision be open for call in (i.e. is it a key decision)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1.0 Purpose of Report

- 1.1 To note the decision of the Chief Executive in his capacity of Managing Director Commissioner to appoint Adesuwa Omoregie as the Council's Director of Legal and Democratic Services, Monitoring Officer and Data Protection Officer, to expedite her arrival in Woking.
- 1.2 This decision effected the conclusion of the Appointments Panel drawn from the Employment Committee following interviews held on 8th October 2024 . The appointments took effect on 11 November 2024.
- 1.3 The appointments were made under authority available to the Chief Executive as a Government-appointed Commissioner.

2.0 Recommendations

- 2.1 The Committee/Council is requested to:

RESOLVE That the appointment of Adesuwa Omoregie as the Council's Director of Legal and Democratic Services, Monitoring Officer and Data Protection Officer be noted.
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Reason for Decision

- 2.2 Woking Borough Council is required by legislation to appoint to the roles of Monitoring Officer and Data Protection Officer. The decision by the Chief Executive ensured that the roles were formally allocated by the Authority as soon as was practicable.

3.0 Proposal and Outcome

Monitoring Officer

- 3.1 The Authority must appoint a Monitoring Officer to comply with the provisions of Section 5 of the Local Government and Housing Act 1989 which state that:

It is the role of the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and, to be responsible for the operation of the council's constitution. They are often, but not always, the head of legal services in a local authority.

Data Protection Officer

- 3.2 To comply with the provisions of [Part 3 of the Data Protection Act 2018](#), the Authority must appoint a Data Protection Officer (DPO).
- 3.3 Data protection officers (DPOs) assist in the monitoring of internal compliance, inform and advise on the Authority's data protection obligations, provide advice regarding Data Protection Impact Assessments (DPIAs) and act as a contact point for data subjects and the Information Commissioner.

Decision by the Chief Executive

- 3.4 Following the Ministerial announcement on 25 May last year and the Secretary of State's Directions pursuant to his powers under [section 15\(5\) and \(6\) of the Local Government Act 1999](#) issued on the same day, Commissioners have powers to exercise the functions of the Council relating to the appointment and designation of persons as statutory officers.
- 3.5 In this case, the Managing Director Commissioner has exercised his power to do so on behalf of the Authority, as provided by the Directions.

4.0 Background

Interview and Appointment

- 4.1 In September 2024, the interim Head of Legal and Democratic Services left the Council, to take up a promotion at Winchester City Council.
- 4.2 Members will be aware that the Council only recently noted the appointment of Suki Binjal, the Interim Head of Legal and Democratic Services, to the posts of Monitoring Officer and Data Protection Officer ([Council meeting on 26 September 2024](#)).
- 4.3 The Council was saddened and shocked to learn of the unexpected passing of Suki while on leave in October. Suki had been president of Lawyers for Local Government from 2017 to 2019 and had been a public sector solicitor for over 25 years, having worked for a number of local authorities.
- 4.4 Suki had joined Woking Borough Council in September as the Interim Director of Legal and Democratic Services following the resignation of the former Interim Director, to support the Council whilst a permanent Director was recruited.

- 4.5 The Council followed a thorough recruitment process for the permanent Director post. An executive recruitment agency was commissioned to seek the best prospective candidates through a national wide search, with a number of high-quality applications received in response.
- 4.6 Members of the Employment Committee were invited to form an Appointment Panel and were supported by the Executive Director of Corporate Resources and the Head of Human Resources. Following a comprehensive interview process, the Panel agreed that Adesuwa Omoregie should be offered the position.
- 4.7 As there was no interim in place at this time, the Chief Executive, in his capacity of Managing Director Commissioner, took a decision to appoint Adesuwa Omoregie as the Council's Director of Legal and Democratic Services, Monitoring Officer and Data Protection Officer, to expedite her arrival in Woking.
- 4.8 As part of the process, each Member of the Executive was given the opportunity to raise any 'well founded' objections to the candidate recommended by the Appointments Panel. No objections were received by the deadline given.

5.0 Options Considered

- 5.1 The Authority is required by the Local Government and Housing Act 1989 to appoint a Monitoring Officer. Similarly the Council has to appoint a Data Protection Officer, under the provisions of the Data Protection Act 2018.
- 5.2 These appointments must be made at a meeting of Council. However, the decision was taken to confirm the appointments under the authority available to the Chief Executive as a Government appointed Commissioner. This was to avoid any undue delay in ensuring that the Council meets its legal obligations, and to mitigate any risks associated with the duties.

6.0 Decision Type/Scope

- 6.1 The appointment of the Director of Legal and Democratic Services Monitoring Officer and Data Protection Officer does have a financial implication for the Authority, the costs of which are covered in already approved budgets.

7.0 Implications

Legal

- 7.1 The Council is required under Section 5 of the Local Government and Housing Act 1989 to designate one of their officers as a Monitoring Officers and under the Data Protection Act 2018 to designate one of their officers as the Data Protection Officer. The decision for both appointments would normally be made by Full Council.

Resources (including finance)

- 7.2 There are no resource implications arising from the decision of the Chief Executive. Both roles sit within the overall responsibilities of the Director of Legal and Democratic Services and have no additional financial impact on the Authority.

Risks and Mitigation

- 7.3 The Council is required by legislation to have in place a Monitoring Officer and a Data Protection Officer. Local Authorities commonly allocate both roles to the Head of Legal Services, and traditionally the Head of Legal and Democratic Services at Woking Borough Council has taken on the roles.
- 7.4 To mitigate any risks posed by waiting for the next available meeting of Council to make the appointments, the Chief Executive has taken the decision to award the roles to the newly appointed Director of Legal and Democratic Services, who took up her position on 11 November 2024. The Chief Executive did so under his powers as a Government-appointed Commissioner.

Consultation, Equality Impact Assessments

- 7.5 Members of the Executive have been consulted.
- 7.6 An equality impact assessment is not necessary for this decision.

Environment and Climate Change

- 7.7 There are no environment and/or climate change implications arising from this report.

Background Documents

- 7.8 Local Government and Housing Act 1989
- 7.9 Section 4(1) of the Local Government and Housing Act 1989
- 7.10 Data Protection Act 2018
- 7.11 Section 15(5) and (6) of the Local Government Act 1999
- 7.12 Council Meeting held on 26 September 2024

Report Ends

RECOMMENDATIONS OF THE EXECUTIVE

Meeting: Council

Date Of Meeting: 12 December 2024

Report Author(s): Frank Jeffrey, Head of Democratic Services | frank.jeffrey@woking.gov.uk

Lead Officer: Frank Jeffrey, Head of Democratic Services | frank.jeffrey@woking.gov.uk

Portfolio Holder: Cllr Ann-Marie Barker | Cllrann-marie.barker@woking.gov.uk

Date Published: 4 December 2024

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 The Council is invited to consider the recommendations from the meetings of the Executive held on 14 November 2024 and 5 December 2024.

2.0 The Executive – 14 November 2024

2.1 The extracts from the minutes of the meeting of the Executive are set out below.

A. Woking for All Strategy EXE24-092

The Leader of the Council, Councillor Barker, introduced the report which recommended to Council the adoption of the refreshed Woking for All Strategy (WFAS). The Executive was advised that the WFAS aimed to clearly set out the Council's priorities and objectives for the next three years and to also set out how those would be delivered through a range of specific and measurable actions. The Leader drew attention to the Council's Vision and Mission Statement in the WFAS which was designed to provide stakeholders with a clear understanding of the Council's direction of travel. The Executive noted that the WFAS was the Council's corporate plan and was underpinned by the Improvement and Recovery Plan (IRP) which had been developed in response to Government intervention. It was highlighted that the WFAS was a three year strategy to 2027/28 which aligned to the life of the Council's Medium Term Financial Strategy (MTFS).

The Leader explained that the WFAS was built around three core themes: Thriving Communities, High Performing Council, and Effective Partnerships. Attention was drawn to the priorities, objectives, outcomes and success measures for each theme.

The Executive welcomed the refreshed and focused WFAS, developed in consultation with Officers and Members, which would align the direction of the Council to be a high

performing council focused on delivering excellent service and building thriving communities through effective partnerships.

RECOMMENDED to Council

That the new Working for All Strategy, attached at Appendix 1 to the report, be adopted.

Reason: To enable the adoption of a refreshed Corporate Plan (WFAS) which clearly sets out the priorities and objectives of the Council, including in the context of the current Government intervention in Woking.

B. Calendar of Meetings 2025/26 EXE24-061

The Executive received a report which sought approval to recommend to Council the Calendar of Meetings 2025-26. Following a question, it was confirmed that extraordinary meetings of the Executive and Full Council were required on Monday, 1 September 2025 in order to determine the outcome of the procurement exercise for the Council's leisure contract. The start time of those meetings on 1 September 2025 would be agreed in due course.

RECOMMENDED to Council

That the Calendar of Meetings 2025/26 be approved as set out in Appendix 1 to the report.

Reason: In accordance with Standing Order 1.2 of the Constitution, which states that "The date of the annual (Council) meeting and those of ordinary meetings shall be fixed by the Council in or about December of the preceding municipal year".

3.0 The Executive – 5 December 2024

3.1 The relevant extracts from the reports to be considered at the meeting of the Executive are set out below. The minutes of the meeting will be circulated in due course.

C. 30 Year Housing Revenue Account (HRA) Business Plan EXE24-032

RECOMMENDED TO COUNCIL THAT

(i) **the 30-Year Housing Revenue Account (HRA) Business Plan at Appendix 1 to the report be approved; and**

(ii) **the Draft Rent Policy included as Appendix 2 to the report be agreed for consultation.**

Reason: To ensure the Council has a viable long-term strategy for spending and borrowing to maintain its housing stock and operate services for its tenants and leaseholders.

D. Investment Debt Repayment and Standstill 2024-25 and 2025-26 EXE24-087

RECOMMENDED TO COUNCIL THAT

- (i) it be noted that the Council will be requesting Exceptional Financial Support for 2025/26 and this request will incorporate the interest and minimum revenue provision costs in relation to the loans made to companies and the debt standstill and debt sweep contained within the report;**
- (ii) a 2025/26 financial year investment debt repayment standstill on the Council's investment loans to the Thameswey group of companies and Victoria Square Woking Limited be approved (subject to the conditions and caveats set out in this report and subject to confirmation of Exception Financial Support from central government) for the financial year 2025/26 as set out in recommendation (i); and**
- (iii) a debt sweep for the period up to the end of December 2024 be approved and authority be delegated to the Strategic Director for Finance, the Strategic Director - Corporate Resources, the Director of Legal and Democratic Services and the Chief Executive, in consultation with the Leader and Deputy Leader of the Council, following the application of the principles, assessments and assurances provided by the actions outlined within this report to determine the value of the sweep; and**
- (iv) the findings in the Part II report set out under Agenda Item 19 of the Executive agenda titled Investment Debt Repayment and Standstill 2024-25 and 2025-26 be noted.**

Report Ends

WOKING FOR ALL STRATEGY

Meeting: Executive

Date Of Meeting: 14 November 2024

Report Author(s): Pino Mastromarco

Lead Officer: Kevin Foster | kevin.foster@woking.gov.uk

Portfolio Holder: Cllr Ann-Marie Barker | cllrann-marie.barker@woking.gov.uk

Date Published: 6 November 2024

Will the decision be open for call in (i.e. is it a key decision)? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 The purpose of this report is to propose the refreshed Woking for All Strategy (WFAS) to the Executive for adoption and recommendation to Council. The aim of the WFAS is to clearly set out the Council's priorities and objectives for the next three years and to set out how these will be delivered through a range of specific and measurable actions.

2.0 Recommendations

2.1 The Executive is requested to:

RECOMMEND TO COUNCIL THAT

The new Woking for All Strategy, attached at Appendix 1 to the report, be adopted.

Reason for Decision

2.2 To enable the adoption of a refreshed Corporate Plan (WFAS) which clearly sets out the priorities and objectives of the Council, including in the context of the current Government intervention in Woking.

3.0 Proposal and Outcome

3.1 The proposal is for the Executive to recommend to Council that the Strategy is formally adopted. Once adopted, the Strategy will frame the Council's ambition and work can commence on delivering the stated priorities and objectives.

3.2 Robust performance reporting will be applied throughout the life of the WFAS; this will take the form of regular reports to the Executive which will track progress against each of the objectives and associated actions. Each action will be measured against

planned completion dates, as well as pre-defined outputs, outcomes, and success measures that have been mapped.

4.0 Background

- 4.1 The WFAS was first adopted by the Council in March 2022. The Strategy covered the period 2022 to 2027 and outlined how the Council will support the communities and residents of Woking over the original five-year period. The intention of the WFAS was to set a five-year plan which would be subject to an annual refresh to ensure that it remained current, representative of the voice of residents and communities, and in touch with matters that were important for the Borough.
- 4.2 A full refresh was planned to be undertaken in the Autumn of 2023; however, this work did not commence due to the corporate focus on resident and staff consultations which resulted in significant service restructures. Because of this unprecedented change, it was agreed that the Council was not in a position to set any meaningful service-related objectives and/or priorities at that time.
- 4.3 In the context of the significant challenges facing Woking which culminated in Government intervention and, as a result, reflecting the need to ensure an appropriate focus on the Council's Improvement and Recovery Plan, alongside progressing key service issues, now is a good time to reset the aims and objectives of the WFAS. This is to help the Council concentrate on activity that is most important at this stage in its development.

5.0 Options Considered

- 5.1 The creation and adoption of a Corporate Plan is fundamental to the development and continuous improvement of the Council. The option of doing nothing is not considered to be a viable alternative.
- 5.2 A refreshed WFAS will enable the Council to clearly articulate what it is aiming to achieve on behalf of the residents of Woking; this is an opportunity to be explicit about the Council's priorities and the objectives that will flow from them. The new WFAS will be based on the following guiding principles:
- It will form a key part of the Council's system of accountability to the public.
 - It will provide clarity and direction to staff.
 - It will stress the need to be focussed; if the Council's aspirations are too broad and too grandiose, the ability to deliver will be compromised.
 - It will make clear to partners what the Council is striving to achieve, so that partnerships and delivery models can be jointly explored.
 - It will underpin the Council's performance management.
 - The duration of the WFAS should be aligned to the life cycle of the Medium-Term Financial Strategy which runs for 4 years, covering 2024/25 to 2027/28.
 - When setting objectives and actions, consideration has been given to longer term planning which will often extend beyond one year.

5.3 The refresh is also an opportunity to simplify the structure and make the Strategy more accessible for all stakeholders. The updated Strategy reflects the reduction to the size/services of the Council, with a focus on delivering effective statutory duties and delivering the improvement's required by the Improvement and Recovery Plan.

6.0 Development of the WFAS

6.1 Work has been underway for several months to review the WFAS. To inform this process, a range of workshops and discussions have been held with the Corporate Leadership Team, individual Strategic Directors, and all Heads of Service across the Council. The aim of this work has been to explore and map future service priorities, and to design a framework within which all actions (corporate, service specific or at an individual level) can fit, thereby creating a 'golden thread' across the Council.

6.2 Member consultation has also been key in developing the WFAS; discussions have been held with Executive Members, and the Leader and Deputy Leader have been heavily involved in shaping the Strategy. An all-Member Briefing was also held on 1 October 2024 to share the current direction of travel and to seek feedback on the proposal.

6.3 The proposal focuses on setting a strategic framework which is based around three top level themes (Thriving Communities, High Performing Council, and Effective Partnerships), under which sit a number of explicit strategic objectives and priorities.

7.0 Decision Type/Scope [Council and Executive only]

7.1 The adoption of the WFAS is a key decision that will have a significant positive impact on the Council and the Borough. The WFAS will directly influence the priorities of the Council for the years ahead, and form a commitment to residents, Councillors, and staff about how resources will be used to effectively deliver services in a way that meets the Council's Best Value duty.

8.0 Implications

Legal

8.1 The Strategy is designed to help the Council discharge its Best Value obligations.

Resources (including finance)

8.2 The delivery of every action will require resources in terms of officer time and, in some cases, financial commitment. If the delivery of an action requires funding over and above current agreed budgets, it will be subject to usual decision-making arrangements to ensure that it is meeting Best Value needs prior to authorisation.

8.3 The WFAS will be subject to ongoing review and regular performance monitoring. The refreshed WFAS also contain priorities, objectives, and actions that underpin the development of the Council's Medium Term Financial Strategy.

Risks and Mitigation

- 8.4 The adoption of the WFAS does not pose any direct risk to the Council, indeed a clearly defined and prioritised Corporate Plan will reduce risk as it will provide an approved framework against which all activity can be assessed.
- 8.5 The delivery of each individual action will result in differing degrees of risk; however, these will be carefully monitored on a regular basis to ensure that any impact is highlighted, and mitigation measures put in place where necessary.

Consultation, Equality Impact Assessments

- 8.6 Councillors and Officers have been consulted in the development of the WFAS.
- 8.7 Equality impact Assessments (EIAs) have not been undertaken for the WFAS as a whole, however EIAs might be undertaken as required for individual actions within the Strategy should the need arise. This will be managed on a case-by-case basis.

Environment and Climate Change

- 8.8 The refreshed WFAS contains priorities, objectives, and actions that support the delivery of climate change and environmental initiatives.

9.0 Supporting Documents

Appendices

- 9.1 Appendix 1 – Woking For All Strategy.

Background Documents

- 9.2 None.

Report Ends

Woking Borough Council
Woking for All

2025-2028

Shaping the *future*
of our borough

Page 31



Towards a sustainable tomorrow



Cllr Anne-Marie Barker

Leader of the Council
and elected member
for Goldsworth Park.

I am proud to share our new Woking for All Strategy - the framework that guides our actions, defines our priorities and strengthens our commitment to residents.

It is essential that we clarify our goals and focus on what truly matters for Woking's long-term future. Our priority is to deliver core services for the wellbeing of our community whilst improving the way the Council operates through the effective and sustainable use of resources.

As we now move towards being a leaner, more efficient Council we must be focused and realistic in our actions. Prioritising what is important, alongside delivering our Improvement and Recovery Plan, we can give the Council the foundation for future progress.

This strategy will not only guide our work but also reinforce our commitment to transparency and collaboration. Through effective partnerships, we can better deliver on our objectives and adapt as our needs evolve.

We recognise that a successful council is one that is clear on its purpose and steadfast in delivering it. The Woking for All Strategy embodies that vision.

Together we can build a stronger Woking for all.

A renewed commitment



Richard Carr

Chief Executive

The Woking for All Strategy is designed to clearly communicate this council’s aims to our community. It outlines our core priorities and objectives which we intend to achieve, based on guiding principles that reflect our commitment to accountability, transparency, and focused service delivery.

It is more than a strategic document—it serves as a foundation for our work, giving accountability to our residents, clarity to staff and guidance to partners.

By refining our ambitions, we can deliver meaningful, long-term outcomes. We are committed to focusing on what is essential, both for today and for the future, as we strengthen the core services we provide and improve our internal processes.

Our goals are not just for the year ahead - they reflect a forward-looking approach that supports our Improvement and Recovery Plan and aligns with our responsibility to deliver efficient, effective statutory services. This strategy will guide our collaborations with partners, enabling us to explore innovative models for delivering sustainable results.

Through this strategy, we are creating a roadmap that emphasises accountability, pragmatism and service that reflect our community’s needs.

I look forward to achieving a positive future for all.

Vision and mission

In February 2024, the Council adopted a Vision and Mission Statement designed to provide staff, residents, and partners with a clear understanding of the council's direction of travel. The Vision was developed through a series of workshops with the Executive, wider Members, Corporate Leadership Team, Commissioners, and staff.

The aspiration for the Council, known as our Vision, and how we will achieve this, our Mission, have been developed to work hand in hand with this Strategy to develop a 'golden thread' which will drive service planning and staff performance development reviews.

Our vision

"A financially and environmentally sustainable council delivering services that residents value in every part of the borough."

Mission statement

A trusted and transparent council that:

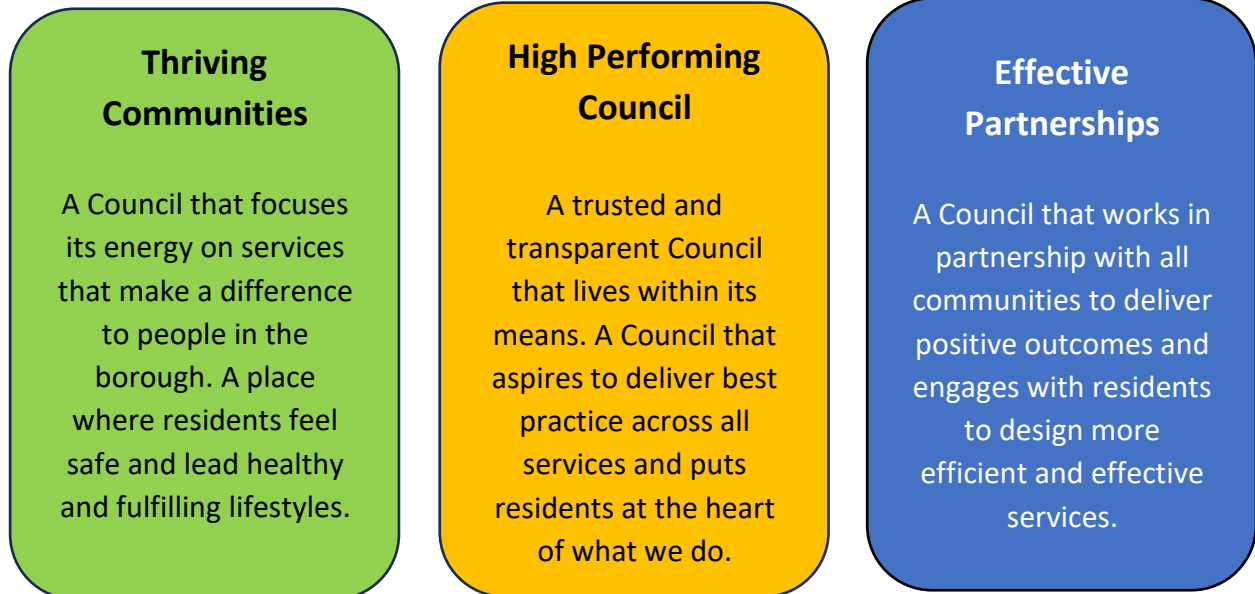
- Lives within its means.
- Focuses its energy on services that make a difference to people in the borough.
- Works in partnership with all communities to deliver positive outcomes.
- Continually engages with residents to design more efficient and effective services.
- Invests in talent to deliver for Woking's future.

Improvement and Recovery Plan

The Woking for All Strategy is the Council's corporate plan and is underpinned by and reflects the Improvement and Recovery Plan developed in response to Government intervention. The Strategy also takes account of the Council's statutory and legal responsibilities.

Woking For All

This strategy is built around three core themes: **Thriving Communities**, **High Performing Council**, and **Effective Partnerships**.



How this strategy is structured

Each theme is made up of three core priorities, underneath which sit clearly defined objectives. The Strategy is structured to outline how each individual objective will be met, what the outcomes will be for residents and the Council, and what the success measures are for each objective. This will ensure that performance can be measured and reported.

Sitting below this Strategy is a Medium-Term Financial Strategy, a suite of strategic and directorate plans, and a corporate performance management system. All of these elements combine to define our approach to the delivery of integrated service and financial planning.

Duration of the strategy

This is a three-year strategy running to the end of the 2027/28 financial year, which is aligned to the life of the Council's Medium-Term Financial Strategy. The Strategy will be refreshed regularly to ensure that it always remains current and is representative of the voice of residents and communities so that we can measure and report on our performance.

Woking for All on a page

Thriving Communities	High Performing Council	Effective Partnerships
<p>High quality homes for all</p> <ul style="list-style-type: none"> ➤ Invest in our Council homes to ensure they are safe and well-maintained in a way that is financially sustainable and responsive to tenants. (pg. 7) ➤ Working to prevent homelessness and address its root causes. (pg. 8) <p>Health and wellbeing for all</p> <ul style="list-style-type: none"> ➤ Support our most vulnerable residents to access key services, as cost effectively as possible, and in conjunction with partners. (pg. 9) <p>Safe, attractive. and greener communities</p> <ul style="list-style-type: none"> ➤ Promote sustainability and continue to invest in green spaces and clean streets. (pg. 10) 	<p>A culture of continuous improvement across all services and functions</p> <ul style="list-style-type: none"> ➤ Develop the systems, processes, and culture that enables the Council to meet its Best Value duty. (pg. 11) ➤ Ensure effective governance to enable rounded decision-making, based on a proper understanding of options and their consequences (including financial, legal and risks) which are tested through appropriate scrutiny. (pg. 12) <p>A modern employer with a high performing workforce</p> <ul style="list-style-type: none"> ➤ Staff are developed and supported to deliver high performing and cost-effective services. (pg. 13) <p>A financially responsible council with sustainable and affordable plans</p> <ul style="list-style-type: none"> ➤ Effective financial management and planning. (pg. 14) ➤ Effective use of our estate to deliver maximum value for money and support place-shaping responsibilities. (pg. 15) ➤ Effective approach to the commissioning, procurement, and contract-management of organisations that supply goods and services. (pg. 16) ➤ Effectively manage the relationship with the Council’s wholly owned companies in a way that ensures the public interest is protected. (pg. 17) ➤ Tackle the legacy issues confronting the Council rigorously, to best protect the public interest. (pg. 18) 	<p>Working with partners to deliver community priorities</p> <ul style="list-style-type: none"> ➤ Ensuring residents continue to benefit from a range of leisure, cultural, and community facilities across the borough, including through unlocking the contribution of voluntary and community groups. (pg.19) <p>A strong and sustainable economy with an enabling infrastructure</p> <ul style="list-style-type: none"> ➤ Responsible planning and development to support local place-shaping and the delivery of well-designed homes of all tenures. (pg. 20) <p>Informed and consulted residents</p> <ul style="list-style-type: none"> ➤ Reach out and listen to our communities and act on their feedback. (pg. 21)

Thriving Communities

A Council that focuses its energy on services that make a difference to people in the borough. A place where residents feel safe and lead healthy and fulfilling lifestyles.

Our priority

High quality homes for all.

Our objective

Invest in our Council homes to ensure they are safe and well-maintained in a way that is financially sustainable and responsive to tenants.

We will achieve this through

- Delivering fire safety remedial works and management actions.
- Completing stock condition surveys to inform the medium-term investment strategy for the council's housing stock.
- Delivering prioritised improvements to Council homes through the implementation of capital investment plans.
- Implementing a comprehensive Housing Improvement Programme that aims to improve systems, data, and processes across the service.
- Developing and implementing a Sheerwater strategy to refurbish retained homes within the regeneration area.
- Setting a sustainable Housing Revenue Account (HRA) 30-year business plan.

Outcomes

- Safer homes through compliance with fire risk assessment recommendations.
- Completion of key work to the fabric of homes, upgraded heating systems, kitchens, and bathrooms.
- Clear strategy enabling prioritisation of effort and associated works.
- Internal resources upskilled/qualified.
- HRA business plan to allow sustainable investment in the housing stock.

Success measures

- Compliance with Decent Homes Standard.
 - Improved tenant satisfaction measures as part of an annual survey.
 - Approved action plan that ensures adequate resources (staff, skills, and ICT systems).
 - A viable 30-year HRA business plan approved.
 - Reduction in Sheerwater void rental losses.
-

Thriving Communities

A Council that focuses its energy on services that make a difference to people in the borough. A place where residents feel safe and lead healthy and fulfilling lifestyles.

Our priority

High quality homes for all.

Our objective

Working to prevent homelessness and address its root causes.

We will achieve this through

- Delivery of the Bed and Breakfast Elimination Plan.
- Retaining and refurbishing approx. 100 homes in the Sheerwater Regeneration area, making use of the Government’s Local Authority Housing Fund (LAHF).
- Reducing the time it takes to re-let Council homes to minimise voids.
- Taking account of the Borough’s housing needs through the Local Plan review.

Outcomes

- Homeless households will spend shorter time in emergency accommodation.
- Reduction in families being placed in bed and breakfast accommodation.
- Reduction in bed and breakfast dependency and associated costs.
- Council owned housing stock being used as effectively as possible.
- Additional affordable housing unlocked through the review of the Local Plan and effective partnerships.

Success measures

- No families with children in bed & breakfast accommodation for more than six weeks.
 - Long term empty homes in Sheerwater are brought back into use and available to households in need.
 - Occupation of at least 13 additional temporary accommodation units through the use of the Government’s LAHF grant.
 - Reduction in the average number of days taken to re-let properties.
 - Increased delivery of affordable housing.
-

Thriving Communities

A Council that focuses its energy on services that make a difference to people in the borough. A place where residents feel safe and lead healthy and fulfilling lifestyles.

Our priority

Health and wellbeing for all.

Our objective

Support our most vulnerable residents to access key services, as cost effectively as possible, and in conjunction with partners.

We will achieve this through

- Ensuring that Careline and Community Meals discretionary services operate on a self-funding basis.
- Working with the North West Surrey Alliance to develop and strengthen the support available to vulnerable people in Woking neighbourhoods.
- Adapting properties through the Disabled Facility Grant (DFG) scheme.
- Working with the voluntary sector and sign-posting support provided by partners to maintain and/or expand services available to residents.

Outcomes

- Elderly and vulnerable residents supported to be independent in their own homes, reducing the need for care.
- Wrap-around support provided to vulnerable residents in 'Woking Neighbourhoods' through the North West Surrey Alliance.
- DFG adaptations enabling residents to remain as independent as possible.

Success measures

- Accurate financial information to evidence discretionary services covering costs.
 - KPI's and outcomes produced by the North West Surrey Alliance to demonstrate partnership effectiveness.
 - Home adaption targets are met.
-

Thriving Communities

A Council that focuses its energy on services that make a difference to people in the borough. A place where residents feel safe and lead healthy and fulfilling lifestyles.

Our priority

Safe, attractive, and greener communities.

Our objective

Promote sustainability and continue to invest in green spaces and clean streets.

We will achieve this through

- Implementing and promoting the 2024 Climate Change Strategy.
- Mobilising and embedding the new grounds maintenance and street cleaning contract.
- Implementing improvements to parks and play areas with the use of UK Shared Prosperity Funding.
- Working with voluntary and community groups through the Community Asset Transfer process to explore opportunities for external investment in sports fields and green spaces.

Outcomes

- Better informed staff and residents in relation to climate change.
- Delivering value for money through the new grounds maintenance contract.
- Attractive, safe, clean, and well maintained parks and play areas.
- Outdoor recreation to support health and wellbeing for residents.
- Investment in sports fields/green spaces maximised to maintain standards whilst reducing costs to the Council.

Success measures

- Reduction in the Council's carbon footprint.
 - Mobilisation of grounds maintenance contract in March 2025.
 - Detailed monitoring of the contract against predefined performance indicators.
 - Extended life expectancy of refurbished play areas/features across the borough.
 - Sports fields and green spaces continue to be fit for purpose and remain well used by community groups across the borough.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A culture of continuous improvement across all services and functions.

Our objective

Develop the systems, processes, and culture that enables the Council to meet its Best Value duty.

We will achieve this through

- Developing an Organisational Development plan to equip the Council with the skills and culture to discharge its Best Value obligations.
- Upgrading the Council’s housing systems to deliver service improvements.
- Implementation of a Property Management system.
- Launching a new and more accessible Council website.
- Rollout of new contact centre technology to improve the customer experience.
- Upgrading the Council’s primary finance system.

Outcomes

- A responsive, customer focussed organisation.
- Implementation of improved systems across several directorates.
- Website upgrade enabling customers to self-serve effectively.
- Improved budget monitoring, accountability, and transparency.
- Council systems better integrated.

Success measures

- Improved data quality across systems to enable better performance management.
 - Reduction of officer time spent on tasks that can be automated via system enhancement.
 - Increased numbers of residents and businesses completing online transactions through self-service.
 - Improved resident/staff satisfaction.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A culture of continuous improvement across all services and functions.

Our objective

Ensure effective governance to enable rounded decision-making, based on a proper understanding of options and their consequences (including financial, legal and risks) which are tested through appropriate scrutiny.

We will achieve this through

- Strengthening the performance of Council's wholly owned companies through more effective governance of the relationship with the companies.
- Embedding a new and enhanced committee reporting template.
- Strengthening the Forward Plan process.
- Strengthening the Council's Overview and Scrutiny arrangements.

Outcomes

- Effective oversight applied to the management of Council companies.
- Stronger alignment between the companies to the Council's priorities.
- Members presented with clear advice and guidance, including the full implications of proposed decisions.
- An Overview and Scrutiny function that adds value and strengthens the Council's decision-making process.
- A well planned/considered Forward Plan.

Success measures

- Company business cases approved by the Council and Government.
 - Clear decisions relating to the future of wholly owned companies.
 - Members feel sufficiently informed in their decision-making.
 - An Overview and Scrutiny function that is valued by Members and is compliant with statutory guidance.
 - A forward plan that effectively represents the pipeline of planned council activity.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A modern employer with a high performing workforce.

Our objective

Staff are developed and supported to deliver high performing and cost-effective services.

We will achieve this through

- Developing a pay and progression strategy to ensure staff are rewarded.
- Developing a strategy and action plan for equalities, diversity, and inclusion.
- Reviewing and updating the Council's recruitment and retention strategy.

Outcomes

- Council services are provided by a knowledgeable and skilled workforce.
- Equalities, diversity, and inclusion considerations are evident as part of Council decision-making processes.
- Employees are engaged and motivated.
- Processes are consistent and transparent.

Success measures

- Positive employee survey results.
 - Change programmes create efficiencies and improvements across the Council.
 - Survey results indicate employees feel the organisation is fair and diverse.
 - The strategies are developed and agreed.
 - Employment terms have been reviewed.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A financially responsible council with sustainable and affordable plans.

Our objective

Effective financial management and planning.

We will achieve this through

- Creating a finance section that has the right skills and capacity in place.
- Finalising historic accounts to meet statutory reporting requirements and return to the statutory timetable for 2025/26.
- Delivery of a balanced Medium Term Financial Strategy with clearly identified savings and mitigations to close budget gaps.
- Developing and implementing a debt reduction strategy.
- Identifying a Council-wide financial envelope which is not dependent on commercial activity.

Outcomes

- Training and support for budget holders.
- Improved financial transparency and decision-making.
- Better skills internally to plan and deliver the MTFs and assess financial proposals.
- Enhanced budget management and forecasting.
- Enhanced accountability and transparency in the use of public funds.

Success measures

- Use of financial forecast to inform robust strategic decision-making.
 - Councillors and officers recognising the Council's duty in all financial business and using public resources responsibly.
 - A 'right sized' budget for the Council focused on delivering to citizens.
 - A balanced Housing Revenue Account and a sustainable Housing service.
 - Implementation and use of robust financial, budgeting, and accounting systems.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A financially responsible Council with sustainable and affordable plans.

Our objective

Effective use of our estate to deliver maximum value for money and support the council's place-shaping responsibilities.

We will achieve this through

- Implementation of an asset review and subsequent rationalisation plan.
- Addressing energy management issues to reduce consumption and costs.
- Developing and implementing a Strategic Asset Management Plan (SAMP) that supports the Council's strategic priorities and place-shaping agenda.
- Creation and delivery of a robust maintenance capital works programme.

Outcomes

- A clear strategy that enables the prioritisation of effort and works.
- A SAMP that will manage the pipeline of asset disposals over a defined period and level out Council assets verses debt.
- An approach to link estate management and place-shaping through the Local Plan.
- Implementation of capital works to increase income where appropriate.

Success measures

- Streamlined, effective maintenance planning and escalation process implemented.
 - Achieving annual disposal targets and meeting criteria set out by Commissioners.
 - Development/adoption of a capital works programme based on condition surveys.
 - Reduction in administrative overheads.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A financially responsible Council with sustainable and affordable plans.

Our objective

Effective approach to the commissioning, procurement, and contract management of organisations that supply goods and services to the council.

We will achieve this through

- Reviewing and enhancing procurement and contract management processes.
- Ensuring the Council is compliant with the Procurement Act 2023 requirements.
- Developing and adopting a Commercial Strategy.

Outcomes

- Assurance that the Council is achieving Best Value in relation to procurement.
- Contract Standing Orders updated to reflect new requirements.
- Training provided to staff based on specific requirements.
- Corporate Contract Register fully up to date to drive management information.
- Pipeline of procurement/contract activity.
- Clarity around the approach and implementation of commercial activity across the Council.

Success measures

- New Contract Standing Orders adopted.
 - Ongoing review of procurement and contract savings opportunities.
 - New procurement and contract management frameworks developed.
 - Savings delivered via procurement activity.
 - Improved Government Commercial Assessment Framework score.
 - Fewer direct awards/exemptions issued due to greater rigour around processes.
 - The adoption of an updated commercial framework that reflects best practice and takes account of planned procurement and contract management improvements.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A financially responsible Council with sustainable and affordable plans.

Our objective

Effectively manage the relationship with the council's wholly owned companies in a way that ensures the public interest is protected.

We will achieve this through

- Delivery of full business cases for Council wholly owned companies in order to support the Council's strategic priorities.
- Undertaking an assessment of company compliance with the Company Governance Framework.

Outcomes

- Review the future of the Council's companies in order to best protect the public purse, reduce debt, and meet the Council's strategic objectives.
- Ensure value for money in relation to investment and disinvestment decisions.
- Ensuring robust and effective commercial governance is in place and fit for purpose.

Success measures

- Reduction in Council exposure to risk associated with companies.
 - Consistent quality of business cases and commercial decision-making.
 - Clear assessment of the viability of wholly owned companies to inform clear decision-making and next steps.
-

High Performing Council

A trusted and transparent Council that lives within its means. A Council that aspires to deliver best practice across all services and puts residents at the heart of what we do.

Our priority

A financially responsible Council with sustainable and affordable plans.

Our objective

Tackle the legacy issues confronting the Council rigorously, to best protect the public interest.

We will achieve this through

- Reviewing historic charges to the Housing Revenue Account (HRA) to ensure they are fair and legitimate, including costs relating to the Sheerwater Regeneration Scheme, and taking corrective action where necessary.
- Development of a response to the publication of the Grant Thornton Value for Money Review.

Outcomes

- Tenant rents used correctly/effectively.
- Clarity and assurance around the HRA ringfence arrangements.
- Clearly defined next steps and actions in relation to the Grant Thornton review i.e. historic loan arrangements and associated decisions/governance.

Success measures

- A HRA that is clear and transparent with all subsidies removed.
 - Increased confidence in the Council dealing with legacy issues and meeting expectations of Government and Commissioners.
 - Successfully extracting the Council from legacy arrangements where possible.
-

Effective Partnerships

A Council that works in partnership with all communities to deliver positive outcomes and engages with residents to design more efficient and effective services.

Our priority

Working with partners to deliver community priorities.

Our objective

Ensuring residents continue to benefit from a range of leisure, cultural and community facilities across the borough, including through unlocking the contribution of voluntary and community groups.

We will achieve this through

- Procuring a new leisure contractor to effectively run our leisure centres.
- Working with partners to support the sustainability of community arts and culture venues.
- Delivering the Community Asset Transfer Scheme to safeguard valued community assets such as centres for the community and pavilions.

Outcomes

- Leisure operator mobilised successfully to deliver sustainable leisure services.
- Residents are engaged and have access to leisure, arts, and cultural activities.
- Community assets remain available to resident groups and residents.

Success measures

- New leisure contract commences at the end of 2025 in line with programme.
 - Management fee increasingly covers costs.
 - Centres for the community and pavilions successfully transferred to groups.
-

Effective Partnerships

A Council that works in partnership with all communities to deliver positive outcomes and engages with residents to design more efficient and effective services.

Our priority

A strong and sustainable economy with an enabling infrastructure.

Our objective

Responsible planning and development to support local place-shaping and the delivery of well-designed homes of all tenures.

We will achieve this through

- Adopting a sound Local Plan that facilitates the delivery of the spatial objectives of the Corporate Plan.
- Working with partners to develop proposals for Sheerwater redevelopment.
- Adopting a Design Code to steer high quality place-making.
- Implementing a new Community Infrastructure Levy (CIL) charging schedule and associated projects list.
- Increasing Member knowledge and awareness of statutory responsibilities in bringing forward a new Local Plan.

Outcomes

- A Local Plan that defines the place we want Woking to be - adequate homes and opportunities for a vibrant economy.
- Investment in the local area and new homes built and occupied.
- Realisation of capital receipts to support the Council's housing stock.
- Certainty for residents around plans for new development and infrastructure.
- CIL information available to partners.

Success measures

- New homes delivered and sale of land completed in line with timeframe.
 - New Local Plan consultation stages delivered in line with project plan.
 - The Council passes gateway assessments set by the Planning Inspectorate.
 - Delivery of the infrastructure identified.
 - Delivery of Members training programme.
-

Effective Partnerships

A Council that works in partnership with all communities to deliver positive outcomes and engages with residents to design more efficient and effective services.

Our priority

Informed and consulted residents.

Our objective

Reach out and listen to our communities and act on their feedback.

We will achieve this through

- Developing a tenant engagement strategy that builds on the results of our tenant satisfaction survey.
- Consult and engage residents, partners, and businesses in relation to the development of the new Local Plan.
- Maximise opportunities for co-designing services with residents.

Outcomes

- Tenant satisfaction survey provides a platform to take forward suggestions and benchmark progress.
- Increased future engagement.
- Residents, partners, and businesses given the opportunity to engage in the shaping of their communities.
- Revamped website developed taking account of resident feedback and usage.

Success measures

- Completion and adoption of a resident engagement strategy.
 - Follow-up survey to evidence improved outcomes.
 - Evidence of a high number of responses to statutory Local Plan engagement.
-



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CALENDAR OF MEETINGS 2025-26

Meeting: Executive

Date Of Meeting: 14 November 2024

Report Author(s): Frank Jeffrey and Becky Capon

Lead Officer: Kevin Foster | Kevin.Foster@woking.gov.uk

Portfolio Holder: Cllr Ann-Marie Barker | cllrann-marie.barker@woking.gov.uk

Date Published: 6 November 2024

Will the decision be open for call in (i.e. is it a key decision)? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 The purpose of the report is to recommend to Council the proposed Calendar of Meetings for 2025/26.

2.0 Recommendations

2.1 The Executive is requested to:

RECOMMEND TO COUNCIL THAT

The Calendar of Meetings 2025/26 be approved as set out in Appendix 1 to the report.

Reason for Decision

2.2 In accordance with Standing Order 1.2 of the Constitution, which states that “The date of the annual (Council) meeting and those of ordinary meetings shall be fixed by the Council in or about December of the preceding municipal year”.

3.0 Calendar of Meetings 2025/26

3.1 The proposed Calendar of Meetings for 2025/26 is attached as Appendix 1. In preparing the Calendar, consideration has been given to Bank Holidays and school holidays, as far as possible. The Calendar for 2025/26 has been prepared on the same basis as the current year.

3.2 Extraordinary meetings of the Executive and Full Council have been requested to be held on Monday, 1 September 2025 to determine the outcome of the procurement exercise for the Council’s leisure contract, which is being undertaken by external consultants. Once the decision has been made the Council would issue procurement outcome letters, which would be followed by a two-week standstill period to allow for any challenge from unsuccessful bidders. The Council would begin the mobilisation

period at the beginning of September, allowing 2.5 months prior to the contract end with the existing provider at the start of December. Ideally a period of three months would be allowed for the mobilisation period as a shorter timeframe would have some risk attached, however holding meetings of the Executive and Full Council during August would lead to issues with Member availability during the holiday period.

4.0 Background

- 4.1 In accordance with Standing Order 1.2 of the Constitution, the date of the annual (Council) meeting and those of ordinary meetings shall be fixed by the Council in or about December of the preceding municipal year.

5.0 Options Considered

- 5.1 As in previous years the Group Leaders, Deputy Group Leaders along with the Chairmen and Vice-Chairmen of the Scrutiny Committees have been consulted on the proposed Calendar.

6.0 Decision Type/Scope [Council and Executive only]

- 6.1 This is a non-key decision.

7.0 Implications

Legal

- 7.1 In accordance with Standing Order 1.2 of the Constitution, the date of the annual (Council) meeting and those of ordinary meetings shall be fixed by the Council in or about December of the preceding municipal year.

Resources (including finance)

- 7.2 No specific resource implications arising from this report.

Risks and Mitigation

- 7.3 The Council is required to set meeting dates for Full Council and the Council's committees to enable the organisation to discharge its statutory responsibilities.

Consultation, Equality Impact Assessments

- 7.4 As in previous years the Group Leaders, Deputy Group Leaders along with the Chairmen and Vice-Chairmen of the Scrutiny Committees have been consulted on the proposed Calendar.

Environment and Climate Change

- 7.5 No specific environment and climate changes implications arising from this report.

8.0 Supporting Documents

Appendices

8.1 Appendix 1 – Calendar of Meetings for 2025-26

Report Ends

2025/26 Calendar of Meetings

Meeting	2025/26 Dates
Council (8) 7pm on Thursday evenings.	19 May 2025 (Monday) 24 July 2025 1 September (Monday, Special) 25 September 2025 11 December 2025 12 February 2026 2 March 2026 (Monday) 16 April 2026 21 May 2026 (Tuesday, 2026/27)
Executive (10) 7pm on Thursday evenings.	12 June 2025 10 July 2025 1 September 2025 (Monday, Special) 11 September 2025 16 October 2025 13 November 2025 4 December 2025 22 January 2026 5 February 2026 12 March 2026
Audit and Governance Committee (4) 7pm on Thursday evenings.	19 June 2025 18 September 2025 20 November 2025 26 February 2026
Planning Committee (10) 7pm on Tuesday evenings.	3 June 2025 15 July 2025 2 September 2025 14 October 2025 11 November 2025 9 December 2025 13 January 2026 10 February 2026 10 March 2026 14 April 2026
Communities and Housing Scrutiny Committee (4 plus Planning) 7pm on Tuesday evenings.	Planning – 16 June 2025 14 July 2025 (Monday) 25 November 2025 20 January 2026 24 March 2026
Environment and Place Scrutiny Committee (4 plus Planning) 7pm on Tuesday evenings.	Planning – 24 June 2025 17 July 2025 (Thursday) 4 September 2025 2 December 2025 3 March 2026

Meeting	2025/26 Dates
Resource and Finance Scrutiny Committee (5 plus Planning) 7pm on Tuesday evenings.	Planning – 10 June 2025 8 July 2025 9 September 2025 4 November 2025 3 February 2026 5 March 2026 (Thursday)
Employment Committee (2) 7pm on Tuesday evenings.	7 July 2025 (Monday) 24 February 2026
Licensing Committee (2) 7pm on Tuesday evenings.	16 September 2025 17 March 2026
Shareholder Executive Committee (8) 7pm on Thursday evenings.	26 June 2025 22 July 2025 (Tuesday) 23 September 2025 (Tuesday) 23 October 2025 27 November 2025 29 January 2026 26 March 2026 23 April 2026
Chairs' Forum (<i>Elected Members and Officers only</i>) 7pm on Wednesday evenings.	18 June 2025 21 July 2025 (Monday) 3 September 2025 4 December 2025 14 January 2026 4 March 2026
Selection Panel (<i>Elected Members and Officers only</i>) 7pm on Tuesday evenings.	13 May 2025
Finance Task Group (<i>Elected Members and Officers only</i>) 7pm on Thursday evenings.	4 June 2025 (Wednesday) 3 July 2025 24 September 2025 (Wednesday) 6 November 2025 2 February 2026 (Monday)
Planned Training (<i>Elected Members and Officers only</i>) Corporate Leadership Team Induction for Members Democratic Services Team Induction for Members Equality and Diversity training for Members Planning / Probity in Planning training for Members Scrutiny training for Members Code of Conduct training for Members Finance training for Members Licensing training for Members Health and safety training for Members Safeguarding training for Members Corporate Leadership Team Induction for Members	7 May 2025 (Wednesday) 8 May 2025 (Thursday) 12 May 2025 (Monday) 20 May 2025 (Tuesday) 22 May 2025 (Thursday) 27 May 2025 (Tuesday) 2 June 2025 (Monday) 5 June 2025 (Thursday) 9 June 2025 (Monday) 17 June 2025 (Tuesday) 12 May 2026 (Tuesday)

Democratic Services Team Induction for Members	13 May 2026 (Wednesday)
Equality and Diversity training for Members	18 May 2026 (Monday)
Scrutiny training for Members	19 May 2026 (Tuesday)
Planning / Probity in Planning training for Members	20 May 2026 (Wednesday)
Code of Conduct training for Members	26 May 2026 (Tuesday)

30 YEAR HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN

Meeting: Executive

Date Of Meeting: 5 December 2024

Report Author(s): Louise Strongitharm

Lead Officer: Stephen Fitzgerald | stephen.fitzgerald@woking.gov.uk

Louise Strongitharm | louise.strongitharm@woking.gov.uk

Portfolio Holder: Cllr Ian Johnson | cllrian.johnson@woking.gov.uk

Date Published: 27 November 2024

Will the decision be open for call in (i.e. is it a key decision)? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 The purpose of this report is to approve the Council's 30-year Housing Revenue Account (HRA) Business Plan and to agree to consult on a new Rent Policy.

1.2 The HRA Business Plan will set out the Council's strategy for spending and borrowing to maintain its housing stock and operate services for its tenants and leaseholders. As with any other business plan, it must show that the Council has clear proposals for achieving its objectives and that these are financially viable in the short, medium and long term.

2.0 Recommendations

2.1 The Executive is requested to:

RECOMMEND TO COUNCIL THAT

- i. the 30-Year Housing Revenue Account (HRA) Business Plan at Appendix 1 to the report be approved; and
- ii. the Draft Rent Policy included as Appendix 2 to the report be agreed for consultation.

Reason for Decision

2.2 To ensure the Council has a viable long-term strategy for spending and borrowing to maintain its housing stock and operate services for its tenants and leaseholders.

3.0 Proposal and Outcome

- 3.1 The Executive is invited to agree the 30-year Housing Revenue Account (HRA) Business Plan and the Draft Rent Policy for consultation.
- 3.2 Having an up-to-date HRA Business Plan based on robust assumptions and an underlying financial model forms the basis of good governance and sound financial management. It demonstrates that the Council is prioritising and spending residents' rent and service charges, and debt secured against these, effectively and achieving value for money.

4.0 Background

- 4.1 The Local Government and Housing Act 1989 requires stock holding councils to operate a Housing Revenue Account (HRA) which records separately to any other Council services operated within the General Fund, the income and expenditure on services which are provided primarily for the benefit of the Council's own tenants.
- 4.2 The Localism Act 2011 introduced a new way for local authorities to develop and maintain their council housing. Self-financing arrangements came into effect from March 2012, doing away with the previous system of government grants, to allow councils to keep all their tenants' rent – the Housing Revenue Account (HRA) – and pay for the upkeep of their homes. The Settlement Payments Determination 2012 introduced a requirement for stock holding local authorities to produce a 30-year HRA business plan.
- 4.3 Whilst the Council historically maintained a 30-year HRA financial model, this was not reported to Council or used to formulate a long-term plan. The Government External Assurance Review (May 2023) identified that “No 30-year business plan exists for the HRA. It is important that the 30-year business plan is prepared and used to assess the long-term viability of the current HRA arrangements. The business plan will need to address the impact of the reduction in housing stock on the longer-term viability of the HRA.”
- 4.4 The Government Review Team recommended that the Council “prepare a 30-year Housing Revenue Account (HRA) Business Plan and takes steps to ensure the current HRA is in balance”. This work forms part of the Council's Improvement and Recovery Plan (IRP), sitting under both the Finance and Housing Improvement workstreams.

5.0 Options Considered

- 5.1 The HRA Business Plan is an established project forming part of the Council's Improvement and Recovery Plan (IRP). Developing an HRA Business Plan is a requirement both in legislation and the Government intervention. The Council has chosen to secure external specialist consultancy support to aid the development of the HRA Business Plan model, but an alternative could have been to produce this in-house. This was discounted due to limited capacity within the Finance team, lack of business planning experience in the Council and the need to draw on industry expertise in order to deliver a robust plan.

30 Year Housing Revenue Account (HRA) Business Plan

5.2 The Business Plan has considered various assumptions and scenarios as part of the process. The draft plan seeks to balance financial and service delivery risks (including regulatory compliance).

6.0 Business Plan

6.1 In February 2024, the Council sought fee proposals from specialist housing finance consultants to deliver a tried-and-tested HRA 30-year financial model. The brief was to:

- Provide and populate the initial model, using the authority's data.
- Develop a set of agreed assumptions with council officers.
- Reconcile the initial short- and medium-term modelling results with council budgets.
- Carry out officer briefings on the modelling results.
- Supply the underlying financial model for long-term use by the Council.
- Familiarise staff and provide training in the use of the model for the authority's finance team.
- Support undertaking sensitivity and scenario analysis during the project.
- Provide strategic advice on the risks and opportunities identified through the modelling, using experience, expertise and intelligence from the consultancy team and its wider network.
- Facilitate participation in relevant user forums discussing improvement that can be made to the model, sharing ideas about creating capacity within the HRA and benchmarking with other local authorities.

6.2 Housing Finance Associates, a specialist consultancy providing financial modelling and associated support to housing authorities in England, were selected to develop the business plan model. The consultancy works with a wide range of local housing authorities, of all types and sizes, and has a team of highly experienced HRA finance consultants and a leading MS Excel-based, purpose-built, HRA financial model.

6.3 Between April and June 2024, the consultants gathered data inputs from the Council, including the 2023/24 draft outturn; 2024/25 budget; forecasts and data on stock condition investment requirements. They have then combined this with official projections (such as, inflation, building costs and interest rates), intelligence from other local authorities and other agreed assumptions. These have included the Council's expectations around voids losses, new build and acquisitions, capital receipts and use of rent flexibility.

6.4 The Council has recently commissioned a new 100% stock condition survey, but the data and analysis from this work will not be available until Spring 2025. This will need to be incorporated into future iterations of the business plan. Therefore, for the purposes of this first Business Plan, older stock condition data (typically from a rolling programme of surveys between 2016-2021) and in-house asset information has been used. This identifies a substantial backlog in capital investment required to the housing stock.

6.5 Over the summer, the consultants and officers have modelled and revised a baseline model and various alternative scenarios in order to reach a balanced and sustainable 30-year business plan. The baseline model assumed substantial and early investment in the capital backlog, resulting in unaffordable expenditure and debt. The initial

30 Year Housing Revenue Account (HRA) Business Plan

baseline is clearly unviable throughout the period with the HRA falling into deficit in 2037/38.

6.6 The Council has taken advice from the consultants to devise the draft model and plan, which is included in Appendix 1. The business plan assumes:

- The Council aims to rebuild a healthier minimum balance of £500/unit from 2025/26, compared to £100-150/unit applied for the last 10 years plus.
- Continued Government rent policy of CPI + 1% to 2030/31.
- Government allows some flexibility to set rents above the Government's formula if there is clear rationale for doing so. Historically, the Council has made little use of this "Rent Flexibility". The plan assumes greater use of rent flexibility, covered more in Section 7 below.
- Variable costs be introduced to the HRA budget model to reflect stock acquisitions and disposals.
- Revenue cost savings of circa £1m have been incorporated from 2025/26. Finance is currently concluding a review of the recharge allocations to the HRA to ensure that they are accurate, fair, and reasonable. This review may support achievement of this savings target. Work will continue to identify savings, including the conclusion of the recharge review.
- The capital programme has been smoothed and major works investment reduced by £3.4 million per annum from 2028/29. Whilst this will not address the full backlog, investment levels are still forecast to continue at a significantly higher level than in the past decade.
- Capital investment in external works be reduced by £0.6 million per annum from 2025/26.
- The Council gradually increases leaseholder contributions towards capital works by £50,000 per annum for 5 years from 2025/26.

6.7 This business plan recognises the realities of the financial pressures faced by local housing authorities across the country, but particularly the local situation in Woking. The business plan reflects a legacy position of weak financial management, under-investment in housing stock and investment decisions that have adversely impacted the viability of the HRA. A prudent and pragmatic approach has been adopted to reflect an organisation that is prepared to live within its means, focus on its statutory responsibilities, balance its budgets and deliver best value for its residents. This is the first plan prepared for Woking and it is likely to require regular review and refresh as financial data and information improves across the Council.

6.8 The need to ensure that Woking Borough Council stays on a financially sustainable footing and delivers the stock investment required to meet government and regulatory standards has meant a significant increase to the capital programme. The proposed 5-year HRA capital programme budget allows for £71.9m between 2025/26 and 2030/31, compared to historic investment of circa £4m per annum. The increase is necessary to meet our obligations in respect of fire safety and Decent Homes. It will be essential that our capital resources prioritised in the short to medium term as follows:

- Health and Safety works (including fire safety)
- Works to the building fabric (under Decent Homes)
- Other component replacement (under Decent Homes)
- Energy efficiency and decarbonisation (dependent on Government regulations)

30 Year Housing Revenue Account (HRA) Business Plan

6.9 Based on current information, the business plan demonstrates that the HRA appears to be viable, subject to some over-arching assumptions and prioritisation of resources.

7.0 Draft Rent Policy

7.1 Rent assumptions are a critical element of the HRA Business Plan. In line with recent Government announcements, the business plan assumes that rents increase by CPI + 1% up to 2030/31 and by CPI only thereafter.

7.2 Government allows some flexibility to set rents up to 5% above formula rent for general needs properties and up to 10% for sheltered/supported housing (including extra care) if there is clear rationale for doing so, including taking into account local circumstances and affordability, and following tenant consultation. This is known as “Rent Flexibility”. Where there is intent to let a property using Rent Flexibility, this should be set out in the Rent Policy.

7.3 Historically, the Council has made little use of “Rent Flexibility”. However, this business plan highlights the significant financial challenge facing the Council in meeting its housing obligations, complying with regulatory standards and ensuring its homes are safe and well-maintained.

7.4 In light of this, the business plan assumes the Council will apply “rent flexibility” to all relets of its existing HRA homes when they become vacant. A Draft Rent Policy has been prepared (included as Appendix 2) and will be subject to consultation during late 2024/25.

8.0 Decision Type/Scope

8.1 This is a key decision. The HRA Business Plan sets out a long-term plan to prioritise resources for housing services and stock.

9.0 Implications

Legal

9.1 The Local Government and Housing Act 1989 requires stock holding councils to operate a ringfenced Housing Revenue Account (HRA) which ensures income from tenants is used for their benefit. The Settlement Payments Determination 2012 (under the Localism Act 2011) introduced a requirement for stock holding local authorities to produce a 30-year HRA business plan. The Council does not currently have a plan, so this is critical area of work.

Resources (including finance)

9.2 The gross HRA budget for 2024/25 is £23.3 million. The HRA Business Plan will set out the Council's strategy for spending and borrowing to maintain its housing stock and operate services for its tenants and leaseholders. As with any other business plan, it must show that the Council has clear proposals for achieving its objectives and that these are financially viable in the short, medium and long term.

30 Year Housing Revenue Account (HRA) Business Plan

Consultation, Equality Impact Assessments

- 9.3 There are no equality impacts arising from this report. The Council will also consult tenants on the Draft Rent Policy to introduce the use of rent flexibility.

Risks and Mitigation

- 9.4 The viability of the HRA is identified as a significant risk on both the Council's Strategic Risk Register and the Communities Directorate Risk Register. Failure to maintain a viable HRA would have a major impact on services to tenants and our housing stock and the Council would not be able to meet regulatory standards or set a legal budget. The development of the 30-year HRA Business Plan is a critical piece of work for addressing and managing this risk, by providing early warning of risks and opportunities based on what we know now. As set out above, it supports longer-term planning to avoid the HRA falling into deficit.
- 9.5 Section 8 of the HRA Business Plan covers risk management, including identifying the key risks and mitigation. Going forward, the HRA model should be regularly updated as circumstances change, so the Council is better prepared to react and address new risks that emerge.

Environment and Climate Change

- 9.6 The business plan includes capital expenditure of £2.4m in 2029/30 to prepare the Council for the potential requirement to achieve an EPC rating of C on all rented homes by 2030. In addition, general investment in new heating systems and insulation should improve energy efficiency.
- 9.7 No further allowance has been made for decarbonisation as further detail is awaited from Government.

10.0 Supporting Documents

Appendices

- 10.1 Appendix 1 is the Draft 30-Year HRA Business Plan.
- 10.2 Appendix 2 is the consultation draft Rent Policy.

Background Documents

- 10.3 None.

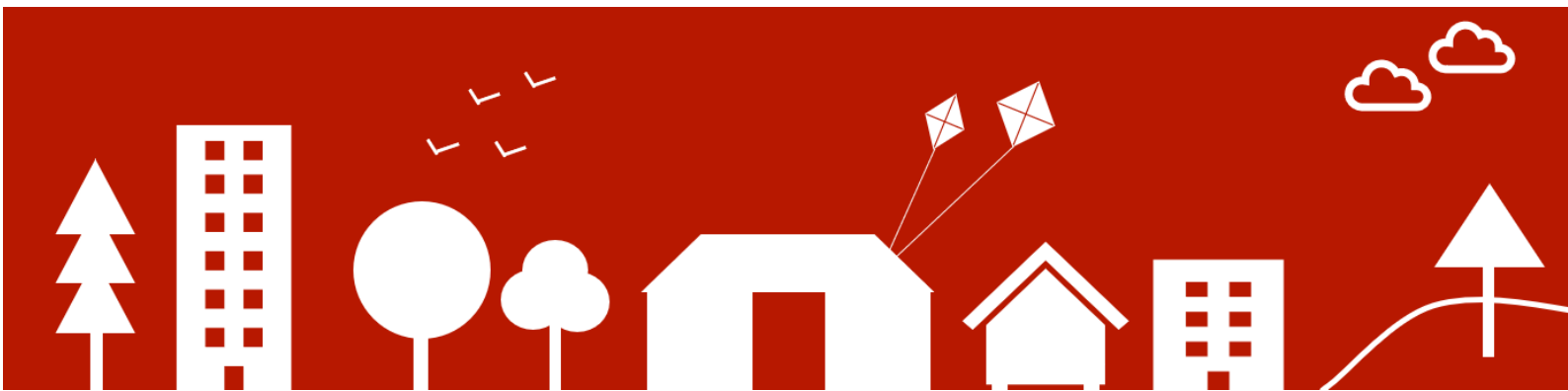
Report Ends



WOKING
BOROUGH COUNCIL

DRAFT

**Housing Revenue Account
(HRA) 30-Year Business Plan
2024/25 to 2053/54**



November 2024

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1. Introduction

- 1.1. The Housing Revenue Account (HRA) covers all income and expenditure relating to the portfolio of housing stock owned by the Council. It is required by the Local Government and Housing Act 1989 to be ring-fenced from the Council's General Fund. The legislation specifies that only expenditure relating to the Council's landlord role can be charged to the HRA and, by extension, funded by the rents and service charges paid by tenants.
- 1.2. Section 76 of the Local Government and Housing Act 1989 requires Local Authorities with a Housing Revenue Account (HRA) to set a budget for the account that avoids a deficit, whilst using robust and valid assumptions. Furthermore, there is a statutory requirement for the Council to prepare a 30-Year Business Plan for the HRA on an annual basis. The purpose of this exercise is to keep the long-term financial viability of the HRA under regular review.
- 1.3. Preparing the 30-year HRA Business Plan involves a long-term assessment of the funding needed to deliver landlord duties alongside wider strategic housing objectives. This involves detailed modelling of operating resource requirements, capital investment plans and external funding streams against wider economic factors and potential legislative changes.
- 1.4. In December 2023, the Council initiated a Housing Improvement Programme to improve the delivery of housing services in Woking. The Housing Improvement Programme forms part of the Council's wider Improvement and Recovery Programme. This programme covers seven workstreams impacting all areas of the service to deliver improvements for residents, including Housing Finance.
- 1.5. Whilst the Council has maintained a business plan financial model in the past, this has not previously been presented in a business plan document available for tenant and other stakeholders to review and scrutinise. The development of this HRA Business Plan therefore is a key milestone for the Housing Improvement Programme, providing greater visibility and transparency about the long-term financial stability of the HRA.
- 1.6. This HRA Business Plan is intended to be a dynamic document, which reflects the Council's ambition to be a high-performing landlord. This is the first plan prepared in this format for Woking. The Council intends to build upon this initial plan through improved data and intelligence, including ongoing dialogue with tenants and residents. This will help to identify investment and service priorities that will improve the quality of homes and tenant services provided.

2. National Context

- 1.7. Preparing the HRA Business Plan requires careful consideration of a range of external factors that have the potential to materially alter the level of resources that the HRA has at its disposal. The implementation of the HRA Business Plan marks a key transitional phase in the Council's Housing improvement journey and has been developed at a time of significant regulatory change for the housing sector.
- 1.8. The key considerations for this iteration of the business plan are briefly outlined below:

Inflation

- 1.9. The UK has experienced high levels of inflation over the last few years. Whilst the Consumer Price Index (CPI) has reduced from the levels experienced in 2022/23, where it

was consistently running into double figures, it has remained high during early 2024. The impact of inflation on the HRA has been exacerbated by its exposure to sectors such as construction and utilities which have experienced much greater inflationary pressure.

- 1.10. The business plan has been prepared using latest Bank of England projections. This is based on an inflation assumption of 1.7% for 2025/26 (based on September's CPI).

Social Rent Policy

- 1.11. The Government's Social Rent Policy from 2020/21 to 2024/25 allows for a maximum annual rent uplift of CPI+1% (based on CPI in the September preceding the new financial year). This was subject to a cap of 7% in 2023/24. The current financial year (2024/25) was due to be the final year that is covered by the current national rent policy, but the Government confirmed in April 2024, that the policy would continue for 2025/26.
- 1.12. In the Autumn Budget, the Government announced its intention to continue the CPI+1% rent policy for a further 5 years at least and to commence a consultation on national rent policy. On 30 October 2024, the Government launched the consultation proposing that the CPI+1% rent policy should remain in place for at least 5 years, from 1 April 2026 to 31 March 2031. Views are also sought on alternative lengths of settlement, including a longer 7- or 10-year rent settlement, or a 'rolling' 5-year settlement.
- 1.13. Given the challenging financial position of the HRA outlined in this plan, the Council will need to adopt the maximum rent uplift permitted by Government to ensure that it has the resources it needs to absorb the impact of inflation and deliver on other key statutory obligations. Based on the recent announcements, the Business Plan has taken the prudent assumption that social and affordable rents will increase by CPI+1% up to 2030/31 and by CPI only thereafter.

Legislative and Policy Changes

- 1.14. The HRA is always exposed to the impact of new requirements being imposed on social landlords as a result of new legislation, policy and regulatory standards.
- 1.15. The Building Safety Act was implemented in April 2022 and saw the Health and Safety Executive appointed as the new Building Safety Regulator to oversee the safety and performance of all buildings, including Council housing. There will be a particular focus on high-rise and high-risk buildings. The new regulator is set to complete its transition to the new regime during 2024/25. Any necessary actions to ensure that our buildings remain safe and compliant are likely to mean increased costs for the HRA. As part of its Housing Improvement Programme, the Council will need to commit substantial capital investment to improving building safety, particularly in respect of fire safety.
- 1.16. The Social Housing (Regulation) Act received Royal Assent in July 2023 and signifies a new era of more stringent consumer regulation for the social housing sector and increased powers for the Regulator of Social Housing (RSH). This means that stock-holding councils can expect to be subject to regular inspections by the Regulator going forward. It also means some additional costs will be incurred as social landlords are expected to make financial contributions to support this regulation. Following a self-referral last year, the Council received a Regulatory Notice for breaching the then "Homes Standard" in respect of fire safety. The Council is fully engaged with the Regulator on delivering the necessary improvements and is working hard to ensure that it meets the full requirements of the new regulatory regime and improves services for tenants.

- 1.17. The Government has committed to reviewing the Decent Homes Standard with a consultation anticipated in the near future. The new standard will look to ensure safe, secure housing is the standard people can expect in both social housing and private rented properties. Several potential areas have been identified as being likely to be updated or included in the new standard, including:
- ventilation
 - home security
 - thermostatic mixer valves
 - window restrictors
 - electrical safety
 - refuse management
 - water efficiency
- 1.18. This will have an impact on the budgets required to meet the standard. At the time of drafting the Business Plan, the Government has not commenced a consultation on changes to Decent Homes Standard and the timeline for implementing changes is not known.
- 1.19. Furthermore, the Government has committed to delivering a zero-carbon economy by 2050, which will have far-reaching implications for social landlords. This will require councils to virtually eliminate the carbon emissions of all social homes over the next 25 years. Whilst this will bring enormous benefits for residents and the environment, addressing the need to reduce emissions while investing in building safety, Decent Homes and high-performing services will be a major challenge and cost. In the shorter term, the Government has announced its plans to consult on uplifting the minimum energy efficiency standards of all rented homes to Energy Performance Certificate (EPC) rating C by 2030.
- 1.20. It is not yet possible to evaluate the costs of a new Decent Homes Standard and decarbonisation without more detail from Government. Nevertheless, the risk of increased costs exists and will need to be reflected in future business plans.
- 1.21. Finally, the Government has announced wide-reaching changes to the Right to Buy process. This will include reduced discounts and stricter eligibility criteria. As a result, it is expected that fewer Council homes will be lost to the HRA in future years.

Interest Rates

- 1.22. The Bank of England's response to high inflation in recent years has been to take swift action to increase interest rates. This is a critical assumption within the HRA business plan given the impact that it has on the HRA's ability to borrow in order to fund the capital programme.
- 1.23. As part of the development of this business plan, the Council has assumed interest rates of 3.7% throughout the life of the plan, which is consistent with levels assumed by other local authorities. However, if higher interest rates were sustained for a longer period, then the HRA's borrowing capacity will be reduced as a result.

3. Local Context

- 1.24. The Council has developed this HRA Business Plan following an extended period of weak financial management. The Council's financial systems have improved, but it is accepted that there is further work to do. This will ensure that the quality and accuracy of financial reporting and forecasting develops and in turn, increasing the confidence of future HRA Business Planning.

- 1.25. Within the Housing Service, there are also areas where there is uncertainty around short, medium and long-term assumptions that should feature in this 30-year business plan.

Stock Condition

- 1.26. Between April 2012 and March 2022, the Council's Housing landlord function was externally managed by New Vision Homes (NVH). NVH undertook a rolling programme of stock condition surveys, with 20% of council homes inspected each year. The plan was that every home would have a stock condition survey that was no older than 5 years old.
- 1.27. Stock condition surveys ceased towards the end of the NVH contract and therefore, the Council's current available data on stock condition dates back to 2016 to 2021. In August 2024, the Council commissioned consultants, Ridge and Partners, to commence a programme of stock condition surveys on 100% of its housing stock. The surveys are not expected to complete until early 2025 with the analysis unlikely to be available until Spring 2025. Therefore, this business plan has had to rely on outdated stock condition data and cost estimates and will need to be refreshed once the new stock condition data is available.
- 1.28. There has been historic underinvestment in maintenance of Council homes and as such, the scale and timing of capital works is likely to have a significant impact on the business plan.

Sheerwater Regeneration

- 1.29. The Council's original plans for the Sheerwater regeneration project involved the loss of circa 400 homes from the Housing Revenue Account (HRA). These homes have been gradually vacated since 2017 resulting in reduced rental income and additional costs in securing the empty homes (pending their demolition and redevelopment).
- 1.30. In October 2023, the Council agreed to a scaled back proposal for the regeneration project, including retaining and refurbishing approximately 100 council homes. The homes will now remain within the HRA. Approximately half of these houses are still occupied and generating rental income. It is anticipated that the remainder will be brought back into use over the next 2 years, but the programme and costs for these works are as yet unclear.
- 1.31. The Council has secured Government Local Authority Housing Fund (LAHF) grant towards the cost of refurbishing some of these homes, with the balance to be raised from capital receipts. Assumptions have been made within the business plan around future rental income from these homes being relet, but any delay will adversely impact the revenue position.

Capital Receipts

- 1.32. Given the significant scale of capital works required during the life of the plan (and particularly over the next 5 years), the HRA Business Plan has made assumptions around the amount and timing of capital receipts from the disposal of HRA assets. This includes the anticipated receipts from disposal of development parcels within Sheerwater and the Brockhill site, along with an assumption that £1 million of capital receipts will be generated per year from sale of poorly performing and/or high cost void properties.
- 1.33. Should these capital receipts not be realised or the timing be later than projected, this will adversely impact the Council ability to fund the capital programme and/or necessitate additional borrowing.

Housing Improvement Programme

1.34. The Council is embarking on an ambitious and extensive Housing Improvement Programme with the aim of improving our homes and services to tenants. Through the programme development and implementation, additional gaps and investment needs are being identified. The business plan has included some additional revenue provision for increasing staffing capacity and capability within the service based on our current understanding of the service needs. However, whilst the service remains in a period of discovery, there is the possibility that additional resources may be required.

4. HRA Business Plan Aims and Objectives

1.35. The HRA Business Plan will ensure that there is sufficient money available to manage and maintain council homes efficiently. The priorities of the HRA Business Plan will be:

- To provide safe, well-maintained and well-managed council homes;
- To improve the quality of our homes to meet modern standards and over time, increase energy efficiency;
- To improve the service offer to Council tenants;
- To improve the quality of the environment to make our communities better places to live.

1.36. Through having a long-term business plan for the HRA, the Council will be able to more effectively manage the service and ensure that:

- Rents and other resources are sufficient to pay for its service plans and to invest in its homes;
- Borrowing is at a level that it is affordable;
- The Council can meet all Regulatory Standards.
- The risks faced by the HRA are understood and can be managed effectively;
- Opportunities to increase revenue and capital available to the HRA are maximised;
- Ways of making efficiencies and ensuring value for money are investigated;
- The HRA remains financially viable now and into the future.

5. Key Assumptions

1.37. Woking Borough Council owns and manages almost 3,300 homes (inclusive of rented and shared ownership properties) across the Borough with the majority being let at social rents. Whilst the overall number of homes in the borough has increased since the inception of self-financing in 2012, the number of council homes has fallen over the same period due to Right to Buy and other disposals (for example, the Sheerwater regeneration).

1.38. Given the challenging financial position faced by the HRA, it is assumed that no new build homes are developed within the HRA during the plan period (unless fully grant funded). However, a small acquisitions programme (of circa 15 homes) is assumed using available Section 106 developer contributions to buy street properties. The Council will continue to explore partnership with other social housing providers interested in building new social and affordable homes in the Borough.

1.39. Demand for council homes remains high with demand outstripping supply. If the council is unable to provide the kind of homes that people want to live in, or can afford to live in, there

is a risk that the void rates will increase, undermining both the financial viability of the HRA and the stability of local communities.

Table 1: Key Business Plan Assumptions

Key Area	Assumptions
General Inflation (CPI)	CPI = 1.7% for 2025/26; 2.25% for 2026/27; 1.5% for 2027/28 and 2% from 2028/29 and thereafter
Social Rent	2.7% increase in 2025/26; CPI + 1% from 2026/27 to 2030/31 and CPI only thereafter.
Re-Lets	Assumes 5% of stock re-let at formula rent each year. From 2025/26, it is assumed that rent flexibility of 5% be added to formula rents when a property is relet (subject to consultation and adoption of new Rent Policy).
Right to Buy Sales	Assumes 12 Right to Buy sales per annum.
Debt Management	Additional borrowing is planned to finance capital programme. Interest rates for new borrowing assumed at 3.7% throughout. HRA opening Capital Financing Requirement (CFR) is £163m.
HRA Minimum Working Balances	The Council has historically stated that a minimum HRA working balance of £100-150 per property should be prudent. This business plan aims to increase this to £500 per property to give the HRA more resilience.
Repairs and Maintenance, including major works	Expenditure assumed to increase by CPI +1% throughout.
Voids	Rent loss from voids assumed to be 1% on Council dwellings (excluding regeneration stock).

6. Capital Programme

- 1.40. The Council's housing stock has suffered from many years of under-investment. A capital budget of up to £16.8m (four times recent levels) was approved for 2024/5 to invest in existing stock. Fire risk assessments in 2023 identified substantial fire safety remedial works required to the Council's apartment blocks and this will continue to be the priority for the capital programme in the short-term.
- 1.41. Given the scale of capital works required, there will need to be choices around affordability, deliverability and prioritisation and the business plan sets out how the Council will approach these things. **Landlord Health and Safety will always remain the top priority for the Council as a responsible landlord.**
- 1.42. As shown below, it is possible to achieve the minimum level of Decent Homes despite some building components, particularly kitchens and bathrooms, being old and/or in poor condition.

DECENT HOMES STANDARD

A “Decent Home” needs to meet the following four criteria under the current definition:

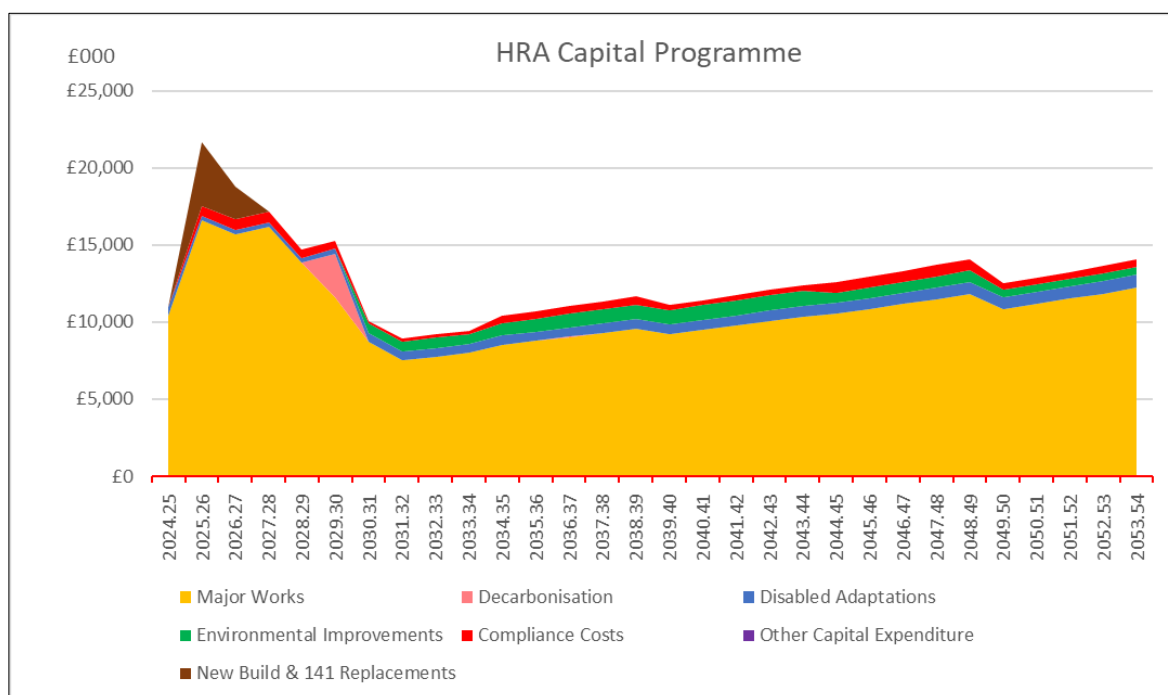
1. It meets the current statutory minimum standard for housing - Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious (‘Category 1’) under the HHSRS.
2. It is in a reasonable state of repair. Dwellings which fail to meet this criterion are those where either:
 - **one or more** of the key building components (external walls; roofs; windows/doors; chimneys; boilers; gas fires; storage heaters; plumbing; electrics) are old and, because of their condition, need replacing or major repair; or
 - **two or more** of the other building components (kitchens; bathrooms; central heating distribution) are old and, because of their condition, need replacing or major repair.
3. It has reasonably modern facilities and services. Dwellings which fail to meet this criterion are those which lack **three or more** of the following:
 - a reasonably modern kitchen (20 years old or less);
 - a kitchen with adequate space and layout;
 - a reasonably modern bathroom (30 years old or less);
 - an appropriately located bathroom and WC;
 - adequate insulation against external noise (where external noise is a problem); and
 - adequate size and layout of common areas for blocks of flats.
4. It provides a reasonable degree of thermal comfort.

1.43. The current stock condition data shows that there are currently 269 properties failing the Decent Homes standard (9.1% of the stock) in Woking. However, this position is likely to change when the results of the 100% stock condition survey are received.

1.44. Going forward, the Decent Homes programme will focus on a ‘fabric first’ approach to protect council housing assets, to reduce our ongoing and long-term repairs and maintenance obligations and increase tenants’ satisfaction with their homes. The focus will be on replacing building fabric components such as roofing; windows and doors and heating systems. Replacement of kitchens (20 years old) and bathrooms (30 years old) will only be undertaken if the condition requires that they are replaced.

1.45. The table below summarises the projected position against the Decent Homes standard based on current stock condition data resulting from this business plan:

	2025-26	2026-27	2027-28	2028-29	2029-30
Projected Year End Decency	87.75%	95.15%	100.00%	100.00%	98.71%



1.46. A summary of the capital programme for the next 5 years is included in the table below.

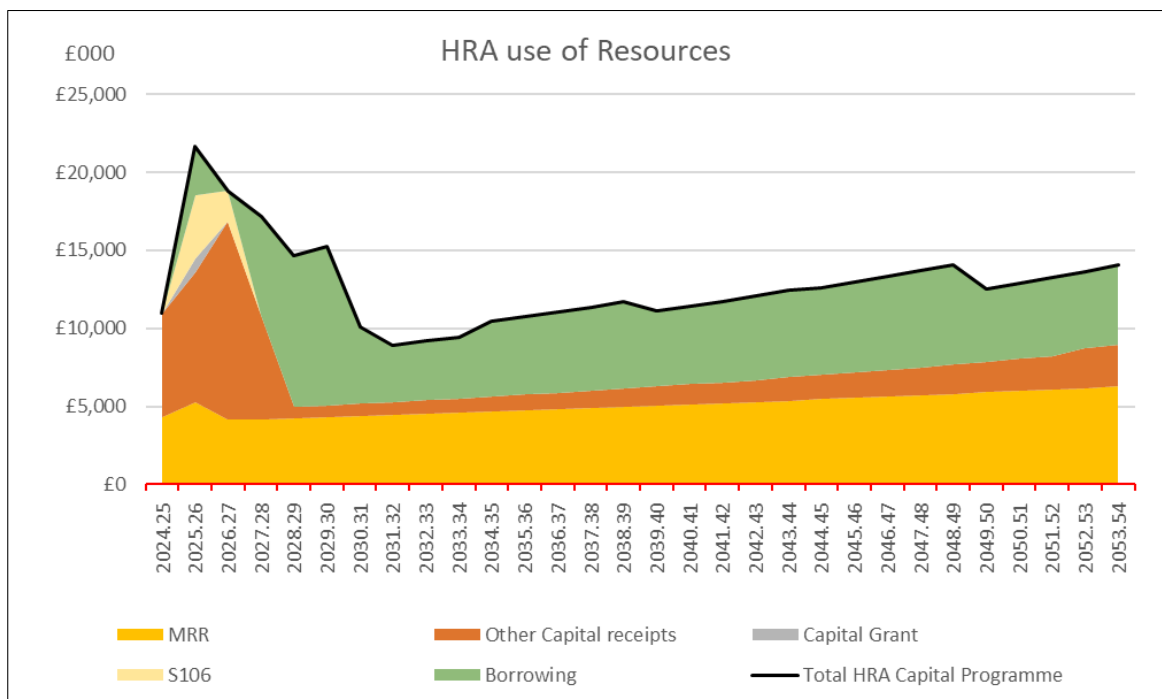
Table 2: Capital Programme for next 5 years

Item	2025-26	2026-27	2027-28	2028-29	2029-30
01 - Decent Homes	£4,678,415	£2,286,487	£3,335,382	£2,286,487	£3,000,262
01.1 - Decent Homes From Previous Years	£0	£2,329,752	£464,750	£0	£0
01.2 - Decent Homes From Future Year	£0	£0	£1,331,379	£1,103,034	£0
01.3 - Reactive Decent Homes Works	£600,000	£600,000	£600,000	£600,000	£600,000
01.4 - Catch Up Of Component Backlog	£0	£0	£0	£0	£0
02 - Disabled Adaptations	£300,000	£300,000	£300,000	£300,000	£300,000
03 - Communal Heating Upgrades	£2,389,000	£1,951,500	£1,500,000	£1,932,500	£3,518,000
03.01 - Communal Heating Upgrades From Previous Years	£0	£728,000	£543,000	£0	£0
04 - Compliance Remedial Works	£607,000	£637,000	£662,000	£457,000	£417,000
05 - Passenger Lift Upgrades	£240,000	£120,000	£120,000	£120,000	£120,000
06 - Decarbonisation and Energy Efficiency	£0	£0	£0	£0	£2,400,000
07 - Consultancy	£588,500	£619,000	£237,425	£190,900	£284,900
08 - Capitalised Staff Costs	£442,583	£442,583	£442,583	£442,583	£442,583

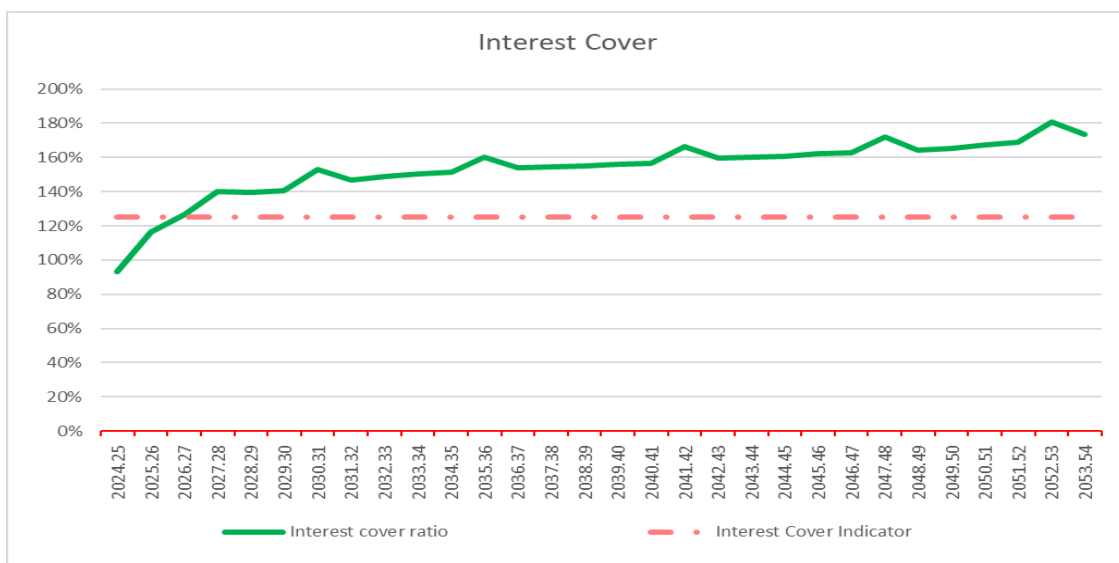
Item	2025-26	2026-27	2027-28	2028-29	2029-30
09 - Fire Safety Works	£3,622,796	£3,054,250	£2,358,750	£2,108,750	£175,000
09.1 - Lakeview Cladding Works	£2,403,168	£2,253,168	£3,355,280	£1,839,168	£0
10 - Asbestos Removal	£120,000	£350,000	£350,000	£350,000	£350,000
11 - Cyclical Works	£0	£325,000	£375,000	£375,000	£375,000
TOTAL	£15,991,462	£15,996,740	£15,975,549	£11,973,378	£11,982,745

NOTE: All costs at 2024/25 Prices

- 1.47. The above programme seeks to balance maintaining the Council's Decent Homes position above 85% whilst delivering the fire safety remedial works as expediently as funds allow. This does mean it is likely to take the Council at least 3 years to complete the full fire safety remedial programme with works prioritised based on risk. This approach will be subject to completing all necessary procurement, obtaining cost certainty for the required works and having adequate assurance that risk is balanced with appropriate risk mitigation in place. This approach is likely to incur continued scrutiny by the Regulator of Social Housing with the Council's risk exposure in terms of Building Safety and Compliance remaining into the medium term. The above programme will be kept under continuous review to ensure that the various workstreams are prioritised appropriately as the programme develops and new risks are identified.
- 1.48. It should be noted that elements of the planned maintenance programme include works to leaseholder properties. Contributions from leaseholders will help to finance the Planned Maintenance programme. These funds will be held separately and ringfenced towards the specific works to which they relate. Leaseholders will be consulted and billed in accordance with their lease for contributions they are required to make towards qualifying works.
- 1.49. The HRA business plan will need to rely on multiple sources of finance to deliver the capital programme and aims to adopt the optimal funding approach in any given year. This ensures that both individual schemes are viable and value for money is achieved for the HRA overall.



- 1.50. Capital receipts form a key part of the funding of the early years of the capital programme, but borrowing becomes a growing feature from 2027/28 onwards.
- 1.51. Any surplus above the minimum working balance on the HRA will be prioritised for repayment of HRA debt. The plan assumes £115m of existing debt will be repaid over the 30-year period, utilising the surpluses generated by the HRA. HRA borrowing is expected to rise from £163m currently, peaking at £202.8m in 2048/49.
- 1.52. The key consideration, ultimately, is the ability of the HRA revenue budget to cover the cost of servicing additional borrowing (i.e. interest costs). Capital financing costs currently constitute almost 25% of the total income generated from rents and service charges in Woking and therefore represent a significant element of the revenue budget. Whilst there is no requirement for the HRA to set a Minimum Revenue Provision (MRP), as is the case for the General Fund, it is important that the HRA provides an appropriate level of interest cover to ensure that the level of borrowing it commits to is sustainable.
- 1.53. The plan aims to ensure that the interest cover ratio rises and remains above 120%, which effectively means that the revenue budget is always able to absorb the impact of a 20% swing in total borrowing costs. It also means that this allowance is available to either finance capital or pay down debt in the event that a swing in interest costs does not materialise. This is achieved from 2026/27 onwards.



- 1.54. The HRA Business Plan is intended to be an evidence-led document and will be informed and updated based on a range of matters, including the stock condition survey and feedback from tenants.

7. HRA Revenue Assumptions

- 1.55. HRA reserve balances are primarily designed to cover in-year risks. The opening balance on the HRA general reserve at the start of the 2024/25 financial year was £599,000. It is currently forecast to increase to £978,000 by the end of this financial year. Over the last decade, the Council has assumed a minimum working balance of £100-£150 per property as a prudent assumption (circa £300,000). However, recent shocks and overspends impacting the HRA have demonstrated that this is insufficient for a budget of this size.

- 1.56. The business plan assumes that the Council aims to move to a minimum working balance of £500 per property in future. This will increase the financial strength and resilience of the HRA whilst internally financial managements systems and processes improve and in the face of a volatile economic environment nationally. This means it never drops below circa £1.5m over the life of the business plan.
- 1.57. Rent assumptions are a critical element of the HRA Business Plan. In line with recent Government announcements, the business plan assumes that rents increase by CPI + 1% up to 2030/31 and by CPI only thereafter.
- 1.58. Government allows some flexibility to set rents up to 5% above formula rent for general needs properties and up 10% for sheltered/supported housing (including extra care) if there is clear rationale for doing so, including taking into account local circumstances and affordability, and following tenant consultation. This is known as “Rent Flexibility”. Where there is intent to let a property using Rent Flexibility, this should be set out in the Rent Policy.
- 1.59. Historically, the Council has made little use of “Rent Flexibility”. However, this business plan highlights the significant financial challenge facing the Council in meeting its housing obligations, complying with regulatory standards and ensuring its homes are safe and well-maintained.
- 1.60. In light of this, the business plan assumes the Council will apply “rent flexibility” to all relets of its existing HRA homes when they become vacant. A Draft Rent Policy has been prepared and will be subject to consultation during late 2024/25.
- 1.61. Service charges reflect additional discretionary services currently provided to tenants and leaseholders and include communal heating and lighting, cleaning, block maintenance and grounds maintenance. These costs are recovered from relevant tenants and leaseholders.
- 1.62. Rent and service charge income for 2025/26 (net of void losses) is currently projected to total circa £23m. This includes social housing and affordable dwelling rents and, tenant and leasehold service charge income.
- 1.63. The HRA also receives interest on general or earmarked revenue balances, funds set aside in the major repairs reserve (MRR) and any unapplied capital balances or unspent grants. The projected interest income in the HRA business plan for 2025/26 and onward is £0.1m.
- 1.64. The repairs and maintenance (R&M) budget funds the cost of repairing and maintaining the HRA housing stock and associated assets, including statutory compliance inspections. This expenditure is projected at £3.8m in 2025/26 and is estimated to increase annually by CPI + 1% in line with current contractual arrangements. Going forward, the business plan assumes repairs and maintenance costs are variable and costs can be saved when the housing stock decreases due to either Right to Buy sales, demolitions, or other disposals or increases due to additions.
- 1.65. The general management budget includes all costs of managing the housing stock and is estimated at £6m in 2025/26. This includes staffing, cleaning and grounds maintenance, utility costs and central recharges. General management costs are assumed to be 80% fixed and so 20% of the average cost per unit is variable when stock numbers increase or decrease.
- 1.66. The HRA needs to target revenue savings in the order of £1m from 2025/26 to deliver a viable 30-year plan. This has been included in this business plan. Finance is currently

concluding a review of the recharge allocations to the HRA to ensure that they are accurate, fair, and reasonable. This review may support achievement of this savings target. Work will continue to identify savings, including the conclusion of the recharge review.

- 1.67. The table in Appendix 1 sets out the current 30-year HRA forecast. The table demonstrates that the HRA revenue budget will be balanced over the life of the business plan.

2. Risk Management

- 2.1. This plan requires the HRA to commit to an increased level of HRA borrowing over the next 30 years in order to meet its capital investment requirements. This will reduce the ability of the HRA to absorb or manage the financial impact of unforeseen risks that may materialise over the course of the plan.
- 2.2. The HRA Business Plan is built on a series of assumptions about the expected future impact of numerous variables (including inflation, rent increases, interest rates, etc). The first aspect of risk management within the HRA is to ensure that the assumptions built into the plan are as prudent as possible. An overview of key assumptions is included at Table 1. The primary area in which prudence has been exercised is on future rent assumptions, which have been held at CPI from 2031/32 onwards. A more favourable settlement following the current Government consultation would therefore create headroom within the HRA business plan and increase flexibility in terms of its ability to absorb risk.
- 2.3. The second aspect of the risk management approach is to actively build financial cover into the business plan that would allow the HRA to absorb the impact of any adverse movements on key assumptions or the emergence of any more general unforeseen risks. These measures allow the HRA to manage the impact of emerging risks without necessarily having to compromise on either service delivery or the level of capital ambition. The business plan does this in 3 key areas:
- a) Minimum Working Balance – This has been maintained at £100-£150 per property for the last decade. This is inadequate to manage any short or medium-term financial volatility. This business plan proposes that this is increased to £500 per property to build in additional financial resilience.
 - b) Revenue Interest Cover – The business plan aims to achieve a minimum ratio of interest cover in the revenue budget of 120% from 2026/27.
 - c) Planned Maintenance Inflation – the Planned Maintenance programme represents a rolling programme of works to improve the condition of existing stock. It is set based on information in the asset management database which uses today's prices. The business plan therefore models a level of inflation on the capital budgets to reflect the fact that a boiler replacement will be more expensive in 15 years' time, for example. Again, this is built into the projected borrowing requirement and ensures that planned maintenance requirements have a level of insulation against the impact of inflation within the plan. The inflation assumptions in the model exceed those in many existing maintenance contracts, so there is some headroom built in for the early years of the plan.
- 2.4. The measures covered above demonstrate that the HRA Business Plan has been prepared with careful consideration of how best to provide resilience against financial risk without compromising the ability of the HRA to deliver its strategic objectives. If the financial shocks to the HRA were extreme, there are some further risk management measures available to

ensure that the HRA remains viable in a worst-case scenario. These can be summarised as follows:

- a) Re-Profiling – not all expenditure on the capital programme is fully committed. This provides an opportunity to re-profile by extending or delaying the delivery of certain works to meet revised affordability parameters.
- b) Reduce Planned Maintenance Schedule – whilst the HRA is required to make a minimum investment in existing stock, the planned maintenance programme could be revised to manage affordability concerns. This is likely to have an adverse impact on stock condition and increase the volume/cost of revenue repairs.
- c) Disposing of further HRA Assets – a more aggressive assessment of which assets are surplus to requirements and/or poorly performing could generate increased capital receipts to help fund the capital programme in the event of a significant HRA funding shortfall. Capital receipts of £1 million per annum have already been assumed in the business plan for some small-scale asset disposals of high-cost voids or poorly-performing assets.

2.5. The three stages of risk management covered above demonstrate how the HRA might manage and mitigate financial risk. A key aspect of the approach to risk management is also how risks are identified and captured in the first place. Clearly, the Council’s monthly budget monitoring and reporting processes are a key component of this. This helps to capture in-year risks within the outturn forecast, but the HRA Business Plan will also need to be regularly reviewed in tandem with this process as new information emerges (and is not a one-off exercise undertaken annually). This allows the impact of emerging risks to be fully understood in the context of the whole business plan and scenario testing to be undertaken to assess how the HRA might manage these risks over the medium- to long-term. Furthermore, the directorate holds a risk register that is regularly reviewed and updated by the Communities Leadership Team.

2.6. The key risks currently identified are set out in Table 3 below.

Table 3: Summary of Risks

Risk Area	Risk Description	Potential Mitigation
Inaccuracies in business plan assumptions	Given historic weak financial controls and data, the assumptions in the business plan may be inaccurate. Small changes in assumptions can have a material impact on the business plan.	Regular review of business plan. Retaining specialist consult to scrutinise and advise on inputs.
Revenue savings not achieved	If revenue savings are not realised, the business plan will be adversely affected.	Rigorous review underway to look at recharge allocations.
New legislation and regulations	Changes in national housing or rent policy may impact costs and income to the HRA and the ability to support the housing debt or deliver against planned investment programmes.	Regular horizon scanning. Ensure that implications are identified, quantified, and highlighted at earliest opportunity and business plan refreshed accordingly.
Stock condition survey	The new stock condition survey necessitates further capital spending (and/or re- prioritisation of capital spend), potentially requiring more borrowing.	Update the business plan to reflect new data. Reprofiting and reprioritisation of capital programme based on evidence.

Risk Area	Risk Description	Potential Mitigation
Sheerwater Regeneration – Capital Receipts	Delays in disposing of the development parcels will impact funding of the capital programme and lead to security costs continuing for longer.	Ongoing engagement with preferred bidder.
Sheerwater Regeneration – Refurbishments	Delays in bringing long-term empty HRA homes back into use will reduce income assumptions in the business plan.	Utilise available grants. Appoint project manager and develop refurbishment plan.
Cost of Living impacts on tenants and leaseholders	With those on lower salaries suffering disproportionately in the current cost of living crisis, some tenants may fall into arrears as they struggle to pay higher rates of rent and service charge. This will impact on the Council's collection rates.	Proactive and early engagement with tenants when arrears arise. Signposting to support agencies. Utilising Household Support Fund where available. Agreeing affordable repayment plans for tenants.
Poor collection of rent	Rental income is under-recovered due to staffing shortages in the Income Team.	Utilise Mobyssoft RentSense (or similar product). Recruitment to vacant posts on permanent or temporary basis as required. Performance closely monitored to allow further positive action if required.
Inflation	Inflation will always be a risk to the business plan as it can impact projected costs significantly.	Aim to increase rents by the maximum level permitted by Government Rent Policy. Update business plan with latest market projection. Refiling capital programme as required.
Interest Rates	If interest rates were to exceed assumptions, this would impact borrowing costs and the ability to fund the capital programme.	Refiling capital programme as required.
Borrowing	Given the issuing of the Section 114 notice, the Council may not be able to obtain borrowing to fund the capital programme, which would impact regulatory compliance.	Regular and ongoing discussions with Government. Strong supporting evidence to justify expenditure and borrowing.
Decarbonisation of Housing Stock	The Government's commitment to target net zero carbon emission by 2050 and EPC C by 2030 will bring significant cost to the HRA.	Stock condition surveys will complete any missing EPC rating data. Bid for external funding where available and eligible.
Business Planning Capacity	The Council may not have the capacity and expertise in place to produce and update the businesses plan effectively.	Retain services of specialist consultant to support as required.
Regulatory compliance	Additional investment may be required to meet new regulatory standards and deliver Housing Improvement Programme. The need to balance meeting the Decent Homes standard and completing fire safety remedial works poses continued risk to the Council.	Consultancy costs included in business plan. Constant review of the capital programme based on risk assessment.

9. Conclusion

- 2.7. The HRA business plan sets out the Council's spending and borrowing needs to maintain its stock and operate services for its tenants and leaseholders. As with any other business plan, it must show that the Council has clear proposals for achieving its objectives and that these are financially viable in the short, medium, and long term.
- 2.8. Having an HRA Business Plan that is approved by full Council, based on reasoned assumptions and an underlying financial model, forms the basis of good governance and sound financial management. This is the first plan prepared in this format for Woking and it is likely to require regular review and refresh as financial data and information improves across the Council.
- 2.9. This business plan demonstrates that we are spending residents' rent and service charges effectively and achieving value for money and managing debt and reserves to maintain a viable HRA overall. This business plan recognises the realities of the financial pressures faced by local housing authorities across the country, but particularly the local situation in Woking. The business plan reflects a legacy position of weak financial management, under-investment in housing stock and investment decisions that have adversely impacted the viability of the HRA. A prudent and pragmatic approach has been adopted to reflect an organisation that is prepared to live within its means, focus on its statutory responsibilities, balance its budgets and deliver best value for its residents.
- 2.10. The need to ensure that Woking Borough Council stays on a financially sustainable footing and delivers the stock investment required to meet government and regulatory standards has meant a significant increase to the capital programme. The proposed 5-year HRA capital programme budget allows for £71.9m between 2025/26 and 2030/31, compared to historic investment of circa £4m per annum. The increase is necessary to meet our obligations in respect of fire safety and Decent Homes. It will be essential that our capital resources prioritised in the short to medium term as follows:
 1. Health and Safety works (including fire safety)
 2. Works to the building fabric (under Decent Homes)
 3. Other component replacement (under Decent Homes)
 4. Energy efficiency and decarbonisation (dependent on Government regulations)
- 2.11. Based on current information, the business plan demonstrates that the HRA appears to be viable, subject to some over-arching assumptions and prioritisation of resources.

Appendix 1 – 30-Year HRA Business Plan Schedules

Description	Local Authority HRA Model				Woking Borough Council										
	1 2024.25 £000	2 2025.26 £000	3 2026.27 £000	4 2027.28 £000	5 2028.29 £000	6 2029.30 £000	7 2030.31 £000	8 2031.32 £000	9 2032.33 £000	10 2033.34 £000	11 2034.35 £000	12 2035.36 £000	13 2036.37 £000	14 2037.38 £000	15 2038.39 £000
Income															
Gross Rental Income	£22,280	£21,754	£21,830	£22,223	£22,858	£23,508	£24,637	£24,616	£25,064	£25,517	£25,975	£26,941	£26,907	£27,381	£27,862
Void Losses	-£2,170	-£1,597	-£974	-£288	-£239	-£246	-£258	-£257	-£262	-£267	-£272	-£282	-£281	-£286	-£292
Other Rental Income	-£141	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Tenanted Service Charges	£2,841	£2,889	£2,954	£2,999	£3,059	£3,120	£3,182	£3,246	£3,311	£3,377	£3,444	£3,513	£3,584	£3,655	£3,728
Leasehold Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Non-Dwelling Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
RTB - Administration	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£22,810	£23,047	£23,810	£24,933	£25,677	£26,382	£27,562	£27,604	£28,112	£28,627	£29,148	£30,173	£30,209	£30,750	£31,299
Expenditure															
General Management	-£6,908	-£5,923	-£6,018	-£6,095	-£6,213	-£6,333	-£6,455	-£6,580	-£6,707	-£6,837	-£6,969	-£7,104	-£7,241	-£7,381	-£7,523
Special Management	-£684	-£696	-£711	-£722	-£736	-£751	-£766	-£781	-£797	-£813	-£829	-£846	-£863	-£880	-£898
Other Management	-£1,376	-£1,399	-£1,431	-£1,452	-£1,481	-£1,511	-£1,541	-£1,572	-£1,604	-£1,636	-£1,668	-£1,702	-£1,736	-£1,770	-£1,806
Bad Debt Provision	-£267	-£261	-£262	-£223	-£230	-£236	-£248	-£247	-£252	-£256	-£261	-£271	-£270	-£275	-£280
Responsive & Cyclical Repairs	-£4,009	-£3,866	-£3,885	-£3,969	-£4,111	-£4,258	-£4,411	-£4,525	-£4,642	-£4,762	-£4,884	-£5,010	-£5,139	-£5,272	-£5,407
Other revenue expenditure	-£89	-£91	-£93	-£94	-£96	-£98	-£100	-£102	-£104	-£106	-£108	-£110	-£112	-£115	-£117
Total expenditure	-£13,333	-£12,235	-£12,399	-£12,555	-£12,867	-£13,187	-£13,521	-£13,807	-£14,105	-£14,409	-£14,720	-£15,042	-£15,361	-£15,692	-£16,031
Capital financing costs															
Interest paid on debt	-£5,497	-£5,610	-£5,669	-£5,801	-£6,082	-£6,258	-£6,279	-£6,330	-£6,335	-£6,356	-£6,390	-£6,447	-£6,475	-£6,531	-£6,591
Interest paid on 141 receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Debt management expenses	-£71	-£72	-£74	-£75	-£76	-£78	-£79	-£81	-£82	-£84	-£86	-£88	-£89	-£91	-£93
Interest Received	£120	£113	£161	£208	£224	£261	£194	£202	£213	£224	£236	£251	£261	£274	£287
Depreciation	-£4,272	-£4,210	-£4,159	-£4,171	-£4,237	-£4,305	-£4,373	-£4,443	-£4,513	-£4,585	-£4,658	-£4,732	-£4,806	-£4,882	-£4,959
Capital financing costs	-£9,719	-£9,779	-£9,740	-£9,838	-£10,171	-£10,380	-£10,537	-£10,652	-£10,718	-£10,801	-£10,898	-£11,015	-£11,110	-£11,231	-£11,356
Appropriations															
Revenue provision (HRA CFR)	£0	£0	£0	£0	£0	-£10,383	-£3,573	-£3,096	-£3,251	-£3,379	-£3,504	-£4,066	-£3,709	-£3,787	-£3,871
RCCO	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other appropriations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriations	£0	£0	£0	£0	£0	-£10,383	-£3,573	-£3,096	-£3,251	-£3,379	-£3,504	-£4,066	-£3,709	-£3,787	-£3,871
Net income/ (expenditure)	-£243	£1,033	£1,671	£2,540	£2,639	-£7,569	-£69	£48	£39	£39	£26	£50	£29	£40	£41
HRA Balance															
Opening Balance	£1,841	£1,598	£2,631	£4,302	£6,842	£9,481	£1,913	£1,844	£1,892	£1,931	£1,969	£1,996	£2,045	£2,074	£2,114
Generated in year	-£243	£1,033	£1,671	£2,540	£2,639	-£7,569	-£69	£48	£39	£39	£26	£50	£29	£40	£41
Appropriated in	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriated out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Balance	£1,598	£2,631	£4,302	£6,842	£9,481	£1,913	£1,844	£1,892	£1,931	£1,969	£1,996	£2,045	£2,074	£2,114	£2,155

©Housing Finance Associates															
Description	16 2039.40 £000	17 2040.41 £000	18 2041.42 £000	19 2042.43 £000	20 2043.44 £000	21 2044.45 £000	22 2045.46 £000	23 2046.47 £000	24 2047.48 £000	25 2048.49 £000	26 2049.50 £000	27 2050.51 £000	28 2051.52 £000	29 2052.53 £000	30 2053.54 £000
Income															
Gross Rental Income	£28,348	£28,840	£29,896	£29,843	£30,354	£30,871	£31,394	£31,924	£33,079	£33,006	£33,557	£34,115	£34,681	£35,925	£35,834
Void Losses	-£297	-£302	-£313	-£312	-£318	-£323	-£329	-£334	-£347	-£346	-£352	-£358	-£364	-£377	-£376
Other Rental Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Tenanted Service Charges	£3,803	£3,879	£3,957	£4,036	£4,116	£4,199	£4,283	£4,368	£4,456	£4,545	£4,636	£4,729	£4,823	£4,920	£5,018
Leasehold Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Non-Dwelling Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
RTB - Administration	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£31,854	£32,417	£33,540	£33,566	£34,152	£34,746	£35,348	£35,958	£37,188	£37,205	£37,841	£38,486	£39,141	£40,467	£40,476
Expenditure															
General Management	-£7,669	-£7,817	-£7,968	-£8,122	-£8,278	-£8,438	-£8,601	-£8,767	-£8,937	-£9,109	-£9,285	-£9,465	-£9,647	-£9,834	-£10,024
Special Management	-£916	-£934	-£953	-£972	-£991	-£1,011	-£1,031	-£1,052	-£1,073	-£1,094	-£1,116	-£1,138	-£1,161	-£1,184	-£1,208
Other Management	-£1,842	-£1,879	-£1,916	-£1,955	-£1,994	-£2,034	-£2,074	-£2,116	-£2,158	-£2,201	-£2,245	-£2,290	-£2,336	-£2,383	-£2,430
Bad Debt Provision	-£285	-£290	-£300	-£300	-£305	-£310	-£315	-£321	-£332	-£332	-£337	-£343	-£348	-£361	-£360
Responsive & Cyclical Repairs	-£5,546	-£5,689	-£5,835	-£5,984	-£6,138	-£6,295	-£6,456	-£6,621	-£6,791	-£6,964	-£7,142	-£7,324	-£7,510	-£7,702	-£7,898
Other revenue expenditure	-£119	-£122	-£124	-£126	-£129	-£132	-£134	-£137	-£140	-£142	-£145	-£148	-£151	-£154	-£157
Total expenditure	-£16,376	-£16,729	-£17,096	-£17,459	-£17,835	-£18,220	-£18,613	-£19,014	-£19,430	-£19,843	-£20,271	-£20,708	-£21,155	-£21,618	-£22,077
Capital financing costs															
Interest paid on debt	-£6,638	-£6,687	-£6,698	-£6,726	-£6,767	-£6,824	-£6,851	-£6,896	-£6,935	-£6,978	-£7,000	-£6,989	-£6,995	-£6,954	-£6,924
Interest paid on 141 receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Debt management expenses	-£95	-£97	-£99	-£101	-£103	-£105	-£107	-£109	-£111	-£113	-£116	-£118	-£120	-£123	-£125
Interest Received	£301	£316	£334	£347	£363	£380	£397	£416	£438	£454	£475	£497	£519	£545	£563
Depreciation	-£5,038	-£5,117	-£5,198	-£5,279	-£5,362	-£5,446	-£5,532	-£5,618	-£5,706	-£5,795	-£5,885	-£5,977	-£6,070	-£6,164	-£6,260
Capital financing costs	-£11,470	-£11,585	-£11,660	-£11,759	-£11,869	-£11,995	-£12,092	-£12,207	-£12,314	-£12,432	-£12,526	-£12,587	-£12,665	-£12,696	-£12,745
Appropriations															
Revenue provision (HRA CFR)	-£3,950	-£4,059	-£4,726	-£4,315	-£4,402	-£4,481	-£4,595	-£4,688	-£5,379	-£4,893	-£4,955	-£5,134	-£5,264	-£6,076	-£5,611
RCCO	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other appropriations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriations	-£3,950	-£4,059	-£4,726	-£4,315	-£4,402	-£4,481	-£4,595	-£4,688	-£5,379	-£4,893	-£4,955	-£5,134	-£5,264	-£6,076	-£5,611
Net income/ (expenditure)	£59	£44	£58	£33	£46	£50	£49	£49	£65	£38	£88	£57	£57	£78	£43
HRA Balance															
Opening Balance	£2,155	£2,214	£2,258	£2,315	£2,349	£2,395	£2,445	£2,494	£2,543	£2,607	£2,645	£2,733	£2,791	£2,848	£2,926
Generated in year	£59	£44	£58	£33	£46	£50	£49	£49	£65	£38	£88	£57	£57	£78	£43
Appropriated in	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriated out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Balance	£2,214	£2,258	£2,315	£2,349	£2,395	£2,445	£2,494	£2,543	£2,607	£2,645	£2,733	£2,791	£2,848	£2,926	£2,969

Appendix 2 – Glossary

Term	Meaning
Capital Expenditure	Spending on asset items, such as, major repairs or new homes
Capital Programme	Plan of works to properties to be funded from capital expenditure.
Capital Receipts	Money received as a result of the sale of an asset, such as, a house or other building
Consumer Price Index (CPI)	The main inflation rate used in the UK.
Cyclical Works	Work that we do regularly, usually as part of a repeat programme, such as, decorating and gutter replacements.
Decarbonisation	The removal or reduction of carbon emissions output into the atmosphere to reduce the impact on the climate.
Decent Homes Standard	The Government standard that all social housing should meet, requiring properties to be fit, in reasonable repair, have reasonably modern facilities and be thermally efficient.
Disabled Adaptations	Adaptations to a property, such as, a level access shower, that make living easier for disabled residents.
Energy Performance Certificate (EPC)	The EPC records how energy efficient a property is using an A+ to G rating scale.
Grants	Are received from a variety of sources and can be either revenue or capital. Revenue grants are used to support the operation of a service. Capital grants are used to provide or invest in an asset.
Fire Risk Assessment (FRA)	A Fire Risk Assessment is an assessment of a property, the activities carried out there and the risk of fire. It identifies potential fire hazards and what can be done to reduce the risk of harm.
Fire Safety Remedial Works	Works to buildings to address fire safety risks, such as, new fire doors and cladding replacement.
Formula Rent	The Government formula for calculating 'social rent' levels, using the market value of a home, the number of bedrooms and average earnings in the local area.
General Fund	The Council's main revenue account which includes day-to-day income and expenditure on the provision of services.
Housing Improvement Programme	The Council's project to improve housing services to residents and the condition of its housing stock.
Housing Revenue Account (HRA)	The ringfenced account used in the management and maintenance of our Council housing stock. It is ringfenced to avoid cross subsidy between Council Tax payers and rents from tenants.
HRA Business Plan	30-year plan for the future management and maintenance of the Council's housing stock
Inflation	The general rate by which the cost of services are increasing or decreasing.
Interest	The interest payable on borrowed money.
Interest Cover	Interest cover measures the ability to meet interest payments from operational income (i.e. rents and service charges).
Local Authority Housing Fund (LAHF)	Government grant funding programme to support selected local authorities to obtain and/or refurbish property in order to provide housing for those unable to secure their own accommodation as a result of various resettlement schemes.

Term	Meaning
Minimum Working Balance	The minimum cash which the authority needs in the normal course of its business and to meet contingencies not otherwise provided for. These are also known as Reserves.
Minimum Revenue Position (MRP)	The minimum amount which must be charged to a revenue account each year and set aside as provision for repaying borrowing and meeting other credit liabilities.
Planned Works/Maintenance	Scheduled works to maintain a building and replace certain components to extend the building's lifespan.
Recharge Allocation	The transfer of costs from central services to other services to reflect the support functions provided (e.g. payroll, office space, etc.)
Regulator for Social Housing (RSH)	Body responsible for setting standards and regulating social landlords in England
Rent Flexibility	Rent flexibility allows social housing landlords to have some discretion over the Social Rent set for individual properties, taking into account local factors. This allows landlords to set rents at up to 5% above formula rent (10% for supported housing) if there is clear rationale for doing so.
Revenue Expenditure	Expenditure on day-to-day items, which do not generate an asset.
Right to Buy (RTB)	The Right to Buy scheme gives secure tenants in a local authority home the opportunity to buy their home at a discount.
Section 106	Sums of money received from developers for specific infrastructure delivery, including additional affordable homes.
Self-financing	Revised Government methodology for funding council housing implemented in 2012.
Service Charge	A payment made by a resident to reflect additional services which may not be provided to every resident or which may be connected with communal facilities. Service charges are subject to separate legal requirements and are limited to covering the cost of providing the services.
Social Rent	Most Council homes are let at a social rent level. The rent is calculated using a set Government formula. Social rents are typically around 50% of an open market rent.
Stock Condition Survey	A visual inspection of a home, including an assessment of the age and condition of all the main structural elements and components (such as, the kitchen, bathroom, windows and doors, roof, etc.)
Void	An empty Council home.

INVESTMENT DEBT REPAYMENT AND STANDSTILL 2024-25 AND 2025-26

Meeting: **Executive**

Date Of Meeting: **5 December 2024**

Report Author(s): **Stephen Fitzgerald and Kevin Foster**

Lead Officer: **Stephen Fitzgerald | stephen.fitzgerald@woking.gov.uk
Kevin Foster | kevin.foster@woking.gov.uk**

Portfolio Holder: **Cllr Dale Roberts | cllrdale.roberts@woking.gov.uk**

Date Published: **2 December 2024**

Will the decision be open for call in (i.e. is it a key decision)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1.0 Purpose of Report

1.1 This report provides an update on the Council's existing debt repayment standstill agreement with Thamesway and Victoria Square Woking Limited for 2024/25, a debt sweep against this agreement and recommends a further agreement for 2025/26.

2.0 Recommendations

2.1 The Executive is requested to:

RECOMMEND TO COUNCIL THAT

- | |
|--|
| <p>(i) it be noted that the Council will be requesting Exceptional Financial Support for 2025/26 and this request will incorporate the interest and minimum revenue provision costs in relation to the loans made to companies and the debt standstill and debt sweep contained within the report;</p> <p>(ii) a 2025/26 financial year investment debt repayment standstill on the Council's investment loans to the Thamesway group of companies and Victoria Square Woking Limited be approved (subject to the conditions and caveats set out in this report and subject to confirmation of Exception Financial Support from central government) for the financial year 2025/26 as set out in recommendation (i); and</p> <p>(iii) a debt sweep for the period up to the end of December 2024 be approved and authority be delegated to the Strategic Director for Finance, the Strategic Director - Corporate</p> |
|--|

Resources, the Director of Legal and Democratic Services and the Chief Executive, in consultation with the Leader and Deputy Leader of the Council, following the application of the principles, assessments and assurances provided by the actions outlined within this report to determine the value of the sweep; and

- (iv) the findings in the Part II report set out under Agenda Item 19 of the Executive agenda titled Investment Debt Repayment and Standstill 2024-25 and 2025-26 be noted.**

Reason for Decision

- 2.2 The proposals within this report form part of the Council's overall Improvement and Recovery Plan (IRP). The background to the Council's past investment decisions are set out in detail in Grant Thornton's report in the public interest that was considered by a special meeting of Council on 20th November 2024.
- 2.3 The debt standstill proposal supports the strategic aim within the IRP to "Release the council from unaffordable commitments, whilst protecting the public purse and optimising the value of existing assets" and "To take a strategic approach to reviewing the Council's lending to companies and borrowing for its property investment estate and medium term financial strategy."

3.0 Proposal and Outcome

- 3.1 The proposal is for a Council debt repayment standstill for Thameswey and Victoria Square Woking Limited to cover the financial year 2025/26 following on from the existing debt standstill in place for 2024/25. This is required because the companies have insufficient profits (Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) to cover the interest and capital repayments due to the council. The debt standstill is therefore required to enable the Directors of these companies to continue to adopt the going concern basis in the preparation of their accounts and maintain the companies' solvent trading.
- 3.2 The Council has received requests from the Boards of both Thameswey and Victoria Square Woking Limited for a Debt Standstill agreement for 2025/26.
- 3.3 The debt standstill also allows time for the Council as the main lender, and the companies, to explore and action potentially better Value for Money investment debt management options than a formal insolvency process, including, for example, managed sale of the company shares/assets and/or financial restructuring.
- 3.4 The absence of an agreement between the Council as lender and the companies in relation to the treatment of debt would require the immediate consideration by the company directors to enter an insolvency process as part of their statutory responsibilities.
- 3.5 To support a debt standstill agreement the council has established a set of tests that need to be met as follows:

Investment Debt Repayment and Standstill 2024-25 and 2025-26

1. That maintaining the company (and its subsidiaries) as solvent entities continues to offer better value for money to the public purse versus the costs and impact of administration. This test was met as part of the business cases for approval to borrow for the completion of capital works (only), but needs to be confirmed for 2025/26.
 2. The company shows an operational profit i.e. are EBITDA positive. This ensures that the Council is not providing borrowing for revenue purposes (other than the costs of interest).
 3. The company demonstrates its cash solvency for the year in question, i.e. that is, they have sufficient working capital to sustain their costs other than those associated with servicing the debt and monitor and update this position to the Council on a quarterly basis, including external verification of the position.
 4. Appropriate business cases for the year are submitted in a time and format agreed by the Council.
 5. The costs of suspended interest is covered by the Capitalisation Directive agreed by DLUHC for WBC.
 6. The support for the company continues to meet state subsidy control tests (a test for the Council met by its legal advice).
- 3.6 The 'in principle' decision by the majority lender (the Council) is required by Council at its meeting on 12th December 2024. Following this decision the Council will provide a response to the debt standstill requests from the companies. This response will need to give an appropriate level of comfort to the company directors to enable them and external auditors for the relevant companies to confirm that the companies can trade solvently for at least twelve months from their statutory accounts filing date of the 31 December 2024 and prepare their accounts on a going concern basis.
- 3.7 The Council cannot formally confirm a debt standstill position for 2025/26 until it has confirmed Exceptional Financial Support from central government for the 2025/26 financial year. In 2024/25 this announcement was made on 27 February 2024 which was a few days prior to the setting of the Council budget and council tax. It is likely that the position could be similar this year.

4.0 Background

- 4.1 The Council went into formal intervention in May 2023 and subsequently issued a Section 114 notice largely driven by the high levels of unaffordable debt, inadequate steps to repay the debt and a high value of irrecoverable loans (when comparing loan values to asset values).
- 4.2 This led to the development of the Council's Improvement and Recovery Plan (IRP) which includes the commercial and finance workstream objectives to ensure robust commercial governance and decision making, oversight of the development of the asset rationalisation and debt reduction plans and to manage an orderly exit from the Council's commercial ventures.

Investment Debt Repayment and Standstill 2024-25 and 2025-26

- 4.3 The Provisional Exceptional Financial Support agreed for 2024/25 came with a series of conditions linked to the delivery of the IRP, in particular that the work is underpinned by a detailed assessment of options and a review of the Council's companies' financial positions within three months and a clear plan, supported by the advice from independent advisors to facilitate an orderly and timely exit from the Council's commercial arrangements with its companies. Importantly, *"the plan must balance appropriately the urgent imperative to reduce the levels of outstanding debt with the need to secure a managed exit from commercial arrangements and deliver optimal value for the public purse"*.
- 4.4 The independent assessment and review of the options for the companies are included in Part II of this report and support the recommendation for extension of the debt standstill as a key option to consider for financial restructuring.
- 4.5 The Council is the majority lender and shareholder to the Thamesway group of companies (Rutland Woking Limited, Thamesway Central Milton Keynes Limited, Thamesway Developments Limited, Thamesway Energy Limited, Thamesway Housing Limited) and Victoria Square Woking Limited (with operating companies Victoria Square Residential Limited and Victoria Square Woking Hotel Limited).
- 4.6 The Council has provided substantial loan funding to these companies. The companies are not able to meet the obligations of these loan agreements through the profits generated, and the value of the fixed assets of the companies are less than their liabilities. The loan funding provided was funded from borrowing taken by the Council from the Public Works Loan Board (central government). Therefore, the Council has two distinct roles:
- The Council as 'Lender', including the Government as ultimate lender, overseeing decisions about the company's financial decisions. These decisions are Executive and Council decisions. Decisions with regard to the debt standstill are a Lender issue.
 - The Council as 'Shareholder', overseeing the strategic direction of the companies and compliance with the Companies Governance Framework. This work is overseen by the Shareholder Executive Committee (SEC) chaired by the Leader of the Council.
- 4.7 The need for a debt standstill for Thamesway and VSWL arose alongside the s114 notice which terminated the Revolving Loan Facility that was provided by the Council through borrowing from the PWLB. This borrowing provided working capital and the ability for the companies to meet their interest and capital repayment obligations. At that point there were two choices that both Council and Commissioners had to make, with support from central government:
- Allow an insolvent run-off of the companies. This would take matters out of the Council (and Government's control) and risked additional costs of the insolvency process and a fire sale of assets, which would not maximize VFM for the public purse.
 - Provide the companies with solvency support, but within an improved governance and monitoring process that allowed time for an orderly exit from the

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companies and a more orderly sale of assets that maximizes value for the public purse and avoided further costs.

- 4.8 For 2024/25 the latter course was adopted to ensure that best value for the public purse to be achieved through the disposal of the Council's assets, as articulated in the Council's Debt Reduction and Asset Rationalisation Plans. The investment debt standstill has been in place from May 2023 and was initially reviewed quarterly and then an investment debt repayment standstill was put in place in March 2024 for the 2024/25 financial year.

5.0 Progress During 2024/25

5.1 Considerable progress has been made:

- A Council company governance framework was agreed in November 2023.
- Company boards have been reconstituted with independent non-executive chairs and non-executive directors.
- The establishment of the Shareholder Executive Committee (SEC), referred to earlier in the report, to hold the companies to account under a new performance framework. These changes have properly separated Council and company governance and decision making. This ensures that Directors take proper decisions in accordance with their duties under the Companies Act and related company governance and ethical standards.
- The SEC is provided with monthly reporting on Company progress against their Business Plan and their immediate financial position, meaning the Council has up to date and relevant oversight and the Companies can be held to account for their performance.
- The Companies are also being supported to ensure that their own governance and decision making is robust and effective. The internal auditors Mazars have carried out a review of the governance arrangements and additional arrangements are being put in place to support governance, compliance and a project management approach to help ensure all the changes required are delivered. In line with the Company Governance Framework an annual self-assessment of the review of their internal governance arrangements is required and it is the 2024/25 review will be completed for January SEC to provide additional assurance.
- The companies current financial position and five year forecast performance have been independently assured by Interpath Advisory Ltd to determine the robustness of the medium term (5 year) cash flow forecasts and cash available to service the debt. Whilst the individual companies in the Thameswey and Victoria Square groups have variable levels of cash generation, at an aggregate level each group demonstrates positive earnings (EBITDA) before debt costs are applied.

5.2 Interpath's analysis of both company groups demonstrates that if debt charges are applied at the levels agreed before the current investment debt standstill both groups of companies would become cash flow insolvent in the very near term. This would

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precipitate a formal insolvency process by the company directors in the immediate term.

- 5.3 A process for assessing the level of the cash sweep of any funds not required by the companies to manage their cashflow requirements and working capital has also been in place as part of the debt standstill agreement for 2024/25. This assessment has been completed covering the period up to the end of December 2024. The next assessment of the debt sweep will be undertaken for the period up to the end of March 2025.
- 5.4 Both companies have made proposals for a level of debt sweep for the period up to the end of December 2024. The Council, through the Section 151 officer, is currently assessing these proposals in order to confirm the level of debt sweep it wants the companies to make.
- 5.5 The Section 151 Officer will be mindful of the need to ensure that the companies retain sufficient funds to enable their continued solvent operations and support the principle of a managed exit by the Council from its commercial arrangements with the delivery of optimal value for the public purse.
- 5.6 This report requests the Council approves a debt sweep for the period up to the end of December 2024 and delegates the decision on the value of this sweep to the Strategic Director of Finance, the Strategic Director - Corporate Resources, the Director of Legal and Democratic Services and the Chief Executive, following the application of the principles, assessments and assurances provided by the actions outlined within this report. The details of the financial review of the companies from which this delegated decision will be applied are included within Part 2 of this report.

6.0 Options Considered for 2025/26

- 6.1 The interest on the debt owed by the companies is still accruing and to provide assurance the Council is acting reasonably it is important to be able to demonstrate that the support will provide a better outcome than an insolvency managed process that would sell assets and settle outstanding debts. The work commissioned by Interpath provides both the underpinning financial advice to give that assurance and the basis for agreeing a contribution from the companies towards the debt costs that are within the debt standstill agreement. Interpath are also reviewing potential financial restructuring options, alongside a more strategic assessment of the future of the companies which is due to be considered by Members early in the New Year.
- 6.2 The financial review and assessment of restructuring options review that has been undertaken by Interpath for Thameswey and Victoria Square Woking Limited are included as part of the part 2 section of this report.
- 6.3 At this point, there remains two short term options available to the Council.

1) Do Nothing

- 6.4 At the end of the current investment debt standstill (31 March 2025) the Council reinstates debt collection. The financial position of the companies (balance sheet and revenue insolvent) would mean that the Council collecting debt principal and interest repayments would automatically force the companies into an administration

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process. Typically, it is the directors of the company who initiate the administration proceedings, though it can sometimes be company shareholders that start this process. The administrator/s would be required to sell the businesses assets expediently. A forced short notice sale of commercial assets would be detrimental to current asset valuations and unlikely to achieve value for money.

- 6.5 The administration process would prevent the Council from enforcing repayment of its debts as was scheduled before the current standstill through an administrator-controlled debt moratorium. A standstill of some form is therefore inevitable regardless of the Council's choice. Thereafter, following a sale of assets, and distribution of funds the Council would have to crystallise the 'unsecured' debt value (the difference between the value of the assets and the value of the debt) which is substantial. At this stage in the exploration of options this is clearly not a desirable outcome.

2) Continue the Investment Debt Repayment Standstill (and associated cash sweep) for the 2025/26 Financial Year

- 6.6 The continuation of the investment debt repayment standstill should give the Directors of the Companies a reasonable expectation that the companies have adequate resources to continue in operational existence for the foreseeable future.
- 6.7 The Council has taken advice in relation to the legislation around subsidy control as it relates to the treatment of the Council's public investment into the companies in order to ensure these proposals represent what a commercial lender would seek to undertake in order to achieve the best return and outcomes from its investment. The standstill allows time to review options and potentially restructure the companies to maximize returns to the Council as lender and to consider the interests of the Council as shareholder (and time for a full review consideration of the proposals in the two recent Interpath consultancy reports).
- 6.8 The companies are required to file their accounts with Companies House for the 2023/24 year by 31st December 2024. The external auditors will carry out their 'Going Concern' assessment and it is critical that means are put in place to give the Company Directors and Auditors sufficient assurance of ongoing support in the form of the Debt Standstill. The Council is unable to give full assurance until the formal budget setting meeting in March when the Exceptional Financial Support (EFS) that is the basis of the Council's own going concern and legal budget setting has been confirmed in principle by Government and accepted by the Council. However, this report is intended to give in principle assurance to support a 'going concern' opinion.
- 6.9 In addition, as the group companies are cash solvent, the Council has already in place a cash sweep arrangement alongside the debt standstill so that any surplus cash not required to keep the companies operational is paid over to the Council and applied to the outstanding debt costs. This will potentially provide an ongoing reduction in the Council's (and the companies) liabilities. This would not happen if the companies became formally insolvent.

7.0 Conditions and Caveats

- 7.1 The extension of investment debt standstill by the Council as a lender is subject to the following conditions (which have, for example, and will continue to be jointly

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developed and agreed with the relevant company boards). These conditions are met or sufficient met to support the extension.

- There is a clear rationale for extending the investment debt standstill.
- Robust company governance and financial administration must be in place. The work underway between the Council and the company boards moves consistently towards this and this is underpinned by the new Council Companies section in the Constitution.
- Central government (namely the Ministry for Housing Communities and Local Government, MHCLG and UK Government Investments, UKGI) are supportive of the approach. Both entities are observers on the Lender Board to which papers on the principles and rationale for the debt standstill and associated cash sweep have been presented and discussed.
- The Council acknowledges the potential impact of the debt standstill in budget setting. The Council's 2024/25 budget setting report to full Council 4 March 2025 included an early proposal on the principles for company debt repayment.
- The appropriate legal and financial advice has been taken.
- That the Council makes the standstill conditional on reaching an agreement on being provided with overarching loan security against the assets for the Thameswey group of companies which is currently not the case. This will be included in the Section 151 Officer formal notification to the Thameswey group of companies if the recommendation is agreed. The Victoria Square Woking Limited debt is secured against its assets.

7.2 If the debt standstill recommendation is agreed then (as was the case for the 2024/25 debt standstill) a Section 151 Officer letter with full conditions and caveats will be sent to the companies after appropriate review.

8.0 Decision Type/Scope

8.1 The contents of this report are a key decision for the Council. The decision to continue the suspension of the payment of interest from the two major Council companies and associated debt sweep are intrinsic to the whole Woking financial situation including the associated exceptional financial support application.

9.0 Implications

Legal

- 9.1 In respect of the proposals set out in this report the Council has sought external legal advice.
- 9.2 The Council has power under section 12 of the Local Government Act 2003 (LGA 2003) to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs (subject to any risk mitigation directions made under section 12A of the LGA 2003). Statutory guidance issued under section 15 of the LGA 2003 makes it clear that the definition of

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“investment” includes loans made by the Council to a wholly owned company or associates, a joint venture, or a third party.

- 9.3 In relying on this power, the Council must have proper regard to various guidance, regulations and codes, including:
- Statutory Guidance on Local Government Investments which can be found at the following address:
https://assets.publishing.service.gov.uk/media/5a74512440f0b646ce8d9b0e/Guidance_on_local_government_investments.pdf
 - The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003;
 - Various guidance issued by CIPFA (and given statutory footing by the Secretary of State).
- 9.4 In addition, section 111 of the Local Government Act 1972 (LGA 1972) provides the Council with an incidental power, which states that the Council may, subject to the provisions of any other enactment, do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of its functions.
- 9.5 The Council must also comply with its fiduciary duty to taxpayers when managing and expending public funds. In this respect the Council must conduct its administration in a fairly business-like manner with reasonable care, skill and caution, and a due and alert regard to the interests of those taxpayers.
- 9.6 In exercising its powers, the Council must act for proper purposes and in good faith, and must exercise those powers properly and in a reasonable manner.
- 9.7 The Council must also be satisfied that it has taken appropriate external advice from advisors who are suitably qualified to advise on the financial, accounting and tax implications of the proposals set out in this report.
- 9.8 Subject to compliance with the above, it should be possible for the Council to agree to a standstill on the investment debt repayments, as well as the cash sweep arrangement as set out in this report, in reliance on the powers under section 12 of the LGA 2003 and section 111 of the LGA 1972.

Finance

- 9.9 The report deals entirely with financial issues and is critical to the management of the of the position in working towards a sustainable solution to a resolution of the long-term financial issues associated with the Council’s major companies.

Risks and Mitigation

- 9.10 The risks and mitigations are set out in the body of this report and have been considered in detail by the Lender Board.

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Consultation, Equality Impact Assessments

9.11 There is no direct equality impact of this decision.

Environment and Climate Change

9.12 There is no direct environment of climate change impact of this decision.

Report Ends

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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